In 2005, the Wiser's Family of Canadian whiskies grew to become the biggest selling brand in Canada, making 2005 the sixth year in a row in which Wiser's was the fastest growing significant whisky brand!
page 4

HOW CORBY HAS BEEN
making a difference
page 9

Corby leads the way in product innovation for 2005 by launching Uphoria, introducing new flavours to Malibu and Beefeater and by participating in Canada's most successful wine launch ever.
page 6

Canada's Leading Manufacturer and Marketer of Spirits and Importer of Wines Since 1859

Spirit MAKER Artisan DE L'ESPRIT CORBY

Corby'05

CORBY DISTILLERIES LIMITED
2005 ANNUAL REPORT

for the year ended August 31, 2005

Corby Leads Industry in Growth in 2005

ONE OF OUR BEST PERFORMANCES EVER

Successful innovation and continuing rigorous implementation of the Supplier of Choice strategy produced a landmark year for Corby Distilleries Limited in fiscal 2005, which saw the company and its brands outperform the industry and reach a number of significant milestones in its domestic and export markets.

"Despite a relatively flat market," explained Corby President and CEO, Krystyna Hoeg, "Corby outperformed the industry as a whole and its biggest competitors by a significant margin."

In the 12-month period ending August 2005, retail sales of spirits increased by 2 percent. However, retail sales of Corby's entire portfolio (owned and agency brands) grew by 3.3 percent, while retail sales of Corby-owned brands increased by a very healthy 4.5 percent.

Corby outperformed the industry as a whole and its growth rate across its entire portfolio was more than double the growth rate achieved by its biggest competitor over the same period.

In fact, as Corby's Vice President of Sales, Andy Alexander, points out, "2005 was the third year in a row in which Corby's total year growth trends were higher than those of our three largest competitors."

The company's 2005 performance was all the more remarkable since it was achieved during a year in which operations were significantly disrupted at Quebec's network of provincially-owned liquor stores, the Société des alcools du Québec (SAQ), one of Corby's biggest customers.

The labour disruption, which lasted from mid-November 2004 to mid-February 2005, kept Québec's liquor stores closed over the 2004 Holiday season, the peak sales period for the spirits and wine industry.

"Nevertheless," continues Alexander, "Corby's performance in 2005 was even better than the prior year and was probably one of our best ever."

— THE CORBY ADVANTAGE —

It is no accident that Corby consistently leads the industry and outperforms its competition. This comes from having the right products, the right plan and the right people – in short, the Corby advantage.

This competitive advantage allows the company to deliver to the market the products that consumers want when consumers want them.

A COMPETITIVE PRODUCT LINEUP – CAPITALIZING ON MARKET TRENDS

On the product front, Corby has a portfolio of innovative and high-quality products that was developed in response to, and allows the

See CORBY LEADS on A2

CORBY – SUPPLIER OF CHOICE NAMED LCBO SUPPLIER OF THE YEAR

Coming off a strong showing in 2004, Corby Distilleries Limited continued its winning ways at the 2005 Elsie Awards, where the company was awarded the prestigious Supplier of the Year title by the Liquor Control Board of Ontario (LCBO). The Elsies are awarded annually by the LCBO in recognition of suppliers and agents who have excelled in marketing their products through their outlets.

Corby also took home the honours for the 2005 Partnership Award – Supply Chain and the Best On-Premise Program Award, making this the third year in a row in which the company has won multiple Elsies, including last year's unprecedented four Elsie Awards.

In naming Corby Supplier of the Year, LCBO Chair and Chief Executive Officer, Andy Brandt, said that the company's "expertise, knowledge and desire to build strong relationships make them highly customer oriented" and described the company's fit with the LCBO as "exceptional".

Andy Alexander, Corby's Vice President of Sales, said that being named the Supplier of the Year was an "unbelievable thrill" for Corby, noting that, unlike category specific awards, this award was tantamount to being named MVP in the spirits industry in Canada – as in Most Valuable Partner. Corby's winning strategy is to align its sales, marketing and logistical programs with those of its partners, most particularly, the LCBO.

Each year, Corby participates in the LCBO's innovative, integrated marketing campaigns, which capitalize on seasonal trends and offer creative ideas for entertaining responsibly. This year, for example, the LCBO launched *Whisky Rocks Unplugged*, a musical-themed promotion which featured the world's

See CORBY SUPPLIER on A2

THIS ANNUAL REPORT IS PUBLISHED BY THE EXECUTIVE OFFICE OF *CORBY DISTILLERIES LIMITED*, 193 YONGE STREET, TORONTO, ON M5B 1M8

02.09.2006 CONFIRMED FOR AGM

Corby's Annual General Meeting has been confirmed for **THURSDAY, FEBRUARY 9, 2006** at eleven o'clock in Vanity Fair Ball Room of the Le Royal Meridien King Edward Hotel. The Hotel is located at 37 King Street East, Toronto Ontario.

Corby, the spirit maker, is a leading Canadian manufacturer and marketer of spirits and importer of wines. Corby's national leadership is sustained by our portfolio of excellence, the owned and represented brands that have built equity in the marketplace and deliver value for customers and shareholders. Corby has been building value since 1859 and will continue to do so well into the 21st century.

» CORBY SUPPLIER *continued from A1*

finest whiskies and introduced 20 new products to the Canadian market. *Cocktails Make the Scene* and *Shake It Up* were month-long promotions, which highlighted several versatile summer cocktails and gave consumers techniques for stress-free entertaining.

Alexander continues, "At Corby, our aim is to be the Supplier of Choice. When retailers, licensees and producers ask which company offers them the best options for marketing, sales, distribution and logistical support, we want the answer in each and every case to be Corby. We can only achieve that goal if we are committed to building real partnerships based on genuine collaboration. We think our selection as Supplier of the Year is a result of the mutually beneficial partnership we have built with the LCBO."

Corby President and CEO, Krystyna Hoeg, said, "Corby is extremely proud to be recognized as Supplier of the Year by the world's largest buyer of alcoholic beverages and Corby's biggest customer."

» CORBY LEADS *continued from A1*

company to take advantage of, the major trends that are shaping the marketplace.

Simon Burch, Corby's Vice President of Marketing, identifies two major forces that are changing the landscape of the industry.

The first is what Burch calls the emergence of the cocktail culture. "The rebirth of the cocktail and the martini are examples of consumers' desire for more exotic flavours, tastes and colours in their drinking experience."

To profit from this trend, Corby has developed a number of innovative new quality products that put the emphasis on colour, taste, mixability and drinkability.

Fiscal 2005 saw the company ramp up its innovation strategy with the launch of a new extension of the Malibu rum liqueur line, the introduction of two flavoured gins under the Beefeater trademark and the launch of a whole new brand family – Uphoria.

Corby is also ideally positioned to capitalize on a second major market trend – premiumization – which sees consumers moving up from starter and mass-market brands to premium, deluxe and luxury products.

The Corby Portfolio of Excellence includes a large number of premium products such as Wiser's in the whisky category, Polar Ice in vodka and Kahlúa in liqueurs, all of which posted impressive results in terms of increased sales volumes and improved market share in 2005.

A Winning Strategy

In 2005, the Corby team worked to solidify the company's status as "Supplier of Choice" in all areas of the business.

In the retail sector, their efforts were recognized and rewarded when the company was named "Supplier of the Year" by the Liquor Control Board of Ontario (LCBO), its biggest customer.

A key element in being Supplier of Choice is being a good partner, and in 2005 the LCBO chose Corby to be its partner for the launch of the innovative "French Rabbit" family of wines in the environmentally friendly Tetra Pak.

As Corby President and CEO Krystyna Hoeg explained, Corby was selected because the company has a record of being open to, and knowing how to, manage innovation (in this instance the innovation was in the packaging more than in the product) and because the company has a reputation of being a good partner.

Being Supplier of Choice provided Corby with the opportunity to be part of what Alexander describes as the biggest and most successful wine product launch in Canadian history.

Launched on August 11, 2005, French Rabbit sold out all 15,000 cases available in a mere three weeks. An inventory originally projected to last through to the end of the 2005 holiday season was gone before Thanksgiving.

Also in 2005, the Corby team continued to demonstrate its effective management of the sales channels by quickly and efficiently bringing a number of new products to market. "Over a two-month period, we were able to secure listings for the new Passion Fruit extension of the Malibu line in every Canadian province except Québec," stated Burch. "This represents 95 percent of the distribution opportunity in Canada for flavoured rum liqueur. In addition, the Beefeater extensions are now available in every market in the country. In both cases, being first in the market led to a significant advantage over our competition."

The Right People

A great plan by itself will not get any company very far without the right people to execute it.

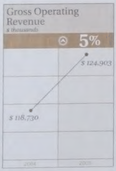
In 2005, Corby management remained focused on recruiting and retaining staff with the skills and values required to effectively implement the business plan.

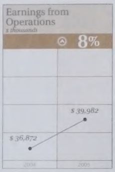
Ismat Mirza, Corby's Vice President of Human Resources and Chief Privacy Officer, notes that the company's Real Player Values program has become an invaluable tool in helping the company identify those candidates who will work well in the Corby culture and help the company enhance its competitive advantage.

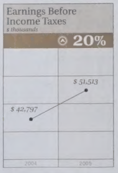
Corby employees have an entrepreneurial spirit, and a commitment to the company's values that strengthens Corby's relationships with customers and consumers. It has also created a culture of creativity and innovation that has made the company a leader in the industry.

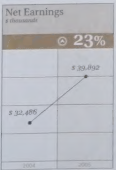
2005 FINANCIAL HIGHLIGHTS

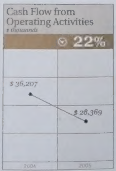
FOR THE YEARS ENDED AUGUST 31 (\$ thousands of dollars, except share amounts)	2005	2004
RESULTS		
Gross operating revenue	\$ 124,903	\$ 118,730
Earnings from operations	39,982	36,872
Earnings before income taxes	51,513	42,797
Net earnings	39,892	32,486
Cash flows from operating activities	28,369	36,207
FINANCIAL POSITION AT BALANCE SHEET DATE		
Working capital	\$ 103,206	\$ 84,234
Total assets	313,188	295,268
Shareholders' equity	142,732	119,875
PER COMMON SHARE		
Net earnings	5.62	4.59
Dividends declared and paid	2.20	2.00
Shareholders' equity	20.12	16.93
FINANCIAL RATIOS		
Working capital	1.6	5.6
Return on average shareholders' equity	30.2%	29.5%
Pre-tax return on average capital employed	38.8%	38.6%

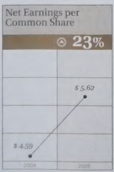












— LETTER TO SHAREHOLDERS —

"Retail sales of our owned brands increased by 4.5% as compared to the 2% growth rate achieved by the industry as a whole."

Krystyna T. Hoeg PRESIDENT AND CHIEF EXECUTIVE OFFICER

Raising the bar

Fiscal 2005 was an exciting and profitable year for Corby largely because we continued to play to our strengths in product innovation and category and sales channel management.

I am pleased to report that fiscal year 2005 was a great year for Corby. We led the industry in growth and outperformed our three major competitors for a third consecutive year. We increased revenue, enhanced shareholder value, successfully launched a number of innovative products and grew the sales and market share of our most important trademark brands.

Even though 10 percent of Corby's market was shut down for almost one quarter of the fiscal year, due to a protracted labour dispute at the Société des alcools du Québec (SAQ), retail sales of our owned brands increased by 4.5 percent as compared to the 2 percent growth rate achieved by the spirits industry as a whole.

This growth is a direct result of the disciplined execution of our strategic plan built upon successful product innovation, effective category management and dominance in the sales channels through implementation of the "Move to Market" strategy and our shared commitment to make Corby the Supplier of Choice.

Fiscal 2005 was truly a significant year of innovation for Corby. In the 12 months ending in August 2005, Corby expanded the very successful family of Malibu rum liqueurs by introducing another new flavour, brought flavour to the gin category by launching Beefeater Flavours and launched a new brand of spirits with the introduction of Uphoria. Each of these innovations was designed to capitalize on consumer demand for more exotic, colourful, flavourful and mixable spirits. Early results indicate that these innovative products are being well received by consumers and we are confident that sales of these products will complement the Corby portfolio and bring excitement to their categories.

In fiscal 2005, Corby also partnered with the Liquor Control Board of Ontario (LCBO) in what proved to be the year's biggest and most successful wine launch in Canada – the introduction of the line of French Rabbit wines in the new Tetra Pak format to the Ontario market.

Equally as impressive as the degree of innovation in fiscal 2005 was the speed with which we were able to have these new products listed by the provincial liquor boards and Corby's ability to market these products through the on-premise or licensee channel. This demonstration of our capacity to manage the sales channels is a testament to the effectiveness of Corby's "Move to Market" strategy and to the depth and quality of its relationships with regulators, retailers and licensees.

Effective category management produced strong results for Corby's trademark brands in fiscal 2005. Of particular note, and a source of considerable pride for us, is the fact that in fiscal 2005, retail sales of the Wiser's family of Canadian whiskies grew faster than retail sales of any other brand in the Canadian market. As a result, the Wiser's family is now the number one family of Canadian whiskies in the country.

Corby continued to build on the success of Polar Ice vodka, achieving double-digit growth in almost every Canadian province. Vodka is the fastest-growing spirits category in Canada and, since its re-launch in 1999, Polar Ice has grown to become the fourth-largest selling vodka in the country, well-positioned for 2006.

Beefeater remained the number one gin in Canada in fiscal 2005 and increased its market share over its closest competitor. This was achieved, in part, because Corby was able to fully recapture 100 percent of its share of the gin market in Québec upon resumption of full operations at the provincially owned liquor stores.

Strong performances by these showcase brands helped lift total retail sales of Corby's entire portfolio by 3.3 percent in fiscal 2005, ahead of the growth rate of the spirits industry as a whole.

Corby's export strategy – of concentrating on our Polar Ice vodka and Wiser's Canadian whisky brands in the US market – also produced landmark results in fiscal 2005. Sales of the company's export portfolio increased by 40 percent and exceeded the 100,000 case level for the first time.

All of these accomplishments were made possible by, and through the work of, a dedicated, skilled and professional team of managers and staff. Corby continues to follow the principles of the "Real Player Values" program as a key component of our human resource strategy. This approach has enabled us to recruit and retain employees who thrive in our entrepreneurial, fast-paced and forward-looking culture.

The quality of Corby people and Corby products was recognized in 2005 by our single largest customer, the LCBO, when we were awarded the Elsie Award for "Supplier of the Year". This award, one of three Elsies Corby won in 2005, confirmed that the biggest single purchaser of spirits and wine in the world regards Corby as its "Supplier of Choice".

Another significant event for Corby was the July 2005 acquisition of Allied Domecq PLC by Pernod Ricard SA. This transaction resulted in Pernod Ricard SA becoming our new majority shareholder since, as part of the transaction, Pernod Ricard SA acquired Allied Domecq PLC's ownership of 51 percent of the outstanding voting Class A common shares of the company. The transaction also resulted in changes to our board of directors and product portfolio which are detailed elsewhere in this Annual Report.

As President and CEO, on behalf of the entire Corby team, I was pleased to welcome Pernod Ricard SA as the new majority shareholder. The company looks forward to partnering in Canada with Pernod Ricard SA, the second largest operator globally in the spirits and wine market. I am confident that this transaction will create exciting new opportunities for Corby.

In summary, fiscal 2005 was an exciting and profitable year for Corby largely because we continued to play to our strengths in product innovation and category and sales channel management. We enhanced our leadership position in the Canadian industry, strengthened our market position and market share of our core brands and brought new products to market that should help fuel future growth.

On behalf of Corby and myself, I want to thank the very talented people who made fiscal 2005 a winning year for our shareholders: the Board, led by Chairman George McCarthy, for its counsel and support, our inspired management team for its creativity and leadership, and all employees across the country for their commitment and work ethic. With the right plan, the right products and the right people, I believe that Corby is well-positioned to meet whatever challenges the future might hold and build on the accomplishments of the past year.

Sincerely,

K Hoeg

Krystyna T. Hoeg
President and CEO
Corby Distilleries Limited

Corby's Export Portfolio Reaches Major Milestone in US Market

Corby enjoyed a banner sales year both north and south of the border in 2005.

Howard Kirke, the Corby VP responsible for export, reports that sales in the US market of the Corby export portfolio, consisting of Wiser's De Luxe and Wiser's Very Old whiskies and Polar Ice vodka, increased by a robust 40 percent and reached the 100,000 case milestone for the first time.

The American market is especially important for Corby because it accounts for 85 percent of the company's export sales.

Howard Kirke attributes Corby's success in the US market to three major factors. First, Kirke says, Corby has an effective strategic alliance with McCormick Distilling of Missouri, the third largest privately held distiller in the US and the country's eighth biggest distiller overall. "McCormick is a great partner," said Kirke. "They are committed to supporting our brands."

Second, because of McCormick's knowledge and experience, Corby has been able to quickly identify and take advantage of local opportunities. This has helped establish a presence with distributors in key target markets.

The third factor is the brands themselves which are meeting a real demand for a premium product at a competitive price point.

Kirke is pleased and encouraged by the progress made in the US market. "We have taken a strategic approach to the American market, and I am confident that with great brands, a

2005 BRANDED A

Corby enjoyed a banner year with a number of its

In particular, the Wiser's family of Canadian whiskies and Polar Ice vodka posted impressive sales numbers. "Spirits consumers are gravitating towards superior brands as their tastes become more refined," says Andy Alexander, Corby Vice President of Sales. "Corby's Portfolio of Excellence has enabled the company to benefit from the premiumization trend in the market."

Other important Corby brands with notable performances in 2005 included the Stoli family of vodkas, Ballantine's scotch whisky and Beefeater gin. Corby also added to its current leadership position in the liqueur category.

Corby's performance in 2005 showed again that the company knows how to grow its brands organically. Simon Burch, Vice President of Marketing, points out that, "Over the 2000 to 2005 period, six of the 15 fastest growing brands in Canada measured by case sales growth have been Corby managed brands. This shows that we have a competence in making big brands

WISER'S FAMILY OF CANADIAN WHISKIES – NOW NUMBER ONE IN CANADA

bigger. When you combine that capacity with our record on successful innovation, you have the prerequisites for continued growth."

In 2005, the Wiser's family of Canadian whiskies grew to become the biggest selling brand in Canada. Retail sales of the Wiser's family grew by 43,000 cases in 2005, *more than any other brand in the country*. In a year when the Canadian whisky category as a whole grew by 0.17 percent, the Wiser's family grew by 8.15 percent, making 2005 the sixth year in a row in which Wiser's was the country's fastest growing significant whisky brand.

Retail sales of the Wiser's family reached 574,000 cases in 2005 compared to 552,000 cases for the number two whisky family.

The Wiser's family market share hit 16.1 percent in 2005 up from 14.9 percent in 2004. By comparison the market share of its closest competitor increased only from 15.3 percent in 2004 to 15.5 percent in 2005.

Alexander believes that part of the sales growth can be explained by consumer loyalty to the brand: "People who buy and drink Wiser's really enjoy it and tend to be more loyal to the brand than consumers of any competitive rye product."

But the Wiser's family's sales success in the whisky category was only part of the story in 2005. Wiser's De Luxe was voted Best Canadian Whisky at the 2005 International Wine & Spirits Competition and Wiser's Reserve was received enthusiastically in the Ontario market.

Corby's new campaign for Wiser's will focus on the unique character of the Wiser's family of Canadian whiskies. "Character Above All" reflects both the full bodied character of the Whisky itself and how it is very similar to the character of the people who enjoy it – uncompromising, independent-minded and proud of their ability to choose based on real quality.

great partner and a solid plan, we are poised for growth in the United States."

2005 Brand Snapshots

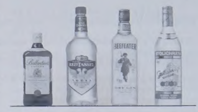
SOME OTHER SALES HIGHLIGHTS FROM 2005:

BALLANTINE'S SCOTCH WHISKY outperformed the competition in 2005, with 5.1 percent growth versus 0.4 percent growth for the category. If current trends continue, Ballantine's could be the number one blended scotch in Canada by the 2005 holiday season.

Sales of the new look **RED TASSEL VODKA** increased by 8 percent in 2005. The future continues to look bright as the brand is expected to benefit from the introduction of a new PET traveler pack format in 2006.

BEEFEATER remained the number one gin in Canada in 2005. In Québec, Corby was quickly able to recapture its share of the province's gin market after the SAQ labour dispute was resolved. Even before the introduction of Beefeater Flavours, Beefeater had increased its market share over its closest competitor.

This year, sales of **STOLI FAMILY VODKA** topped the 100,000 cases mark for the first time ever in Canada.



SUCCESS AT CORBY

trademark brands achieving major milestones in 2005.

POLAR ICE VODKA – CANADA'S MOST SUCCESSFUL VODKA

In the vodka category – the fastest growing category in the Canadian spirits market – Corby's Polar Ice vodka is the fastest growing and most successful significant brand of vodka, not only in 2005, but every year since Polar Ice vodka was re-launched in 1999.

Burch says that over the 1999 to 2005 period, case retail sales of Polar ice vodka have increased by 137 percent making it the most successful vodka and the most successful spirit brand in the country over the last six years.

In 2005, the vodka category grew by 4.3 percent, while retail sales of Polar Ice vodka increased by 15.8 percent. As it has in every year since 1999, Polar Ice vodka outperformed the category by more than 3 to 1.

Alexander says, "In 2005, Polar Ice vodka achieved double digit sales increases in almost every province in Canada. That is significant because you often see one major market driving sales. In this case, however, we are seeing growth across the country making this a real national story."

Province	% Increase in Polar Ice Retail Case Sales FY 2005/FY 2004
British Columbia	18%
Alberta	19%
Saskatchewan	7%
Manitoba	15%
Ontario	16%
Québec	11%
New Brunswick	35%
Nova Scotia	29%
Newfoundland & Labrador	25%

Retail sales of Polar Ice vodka increased by 33,000 cases in 2005 to a total of 243,746; growth that Alexander attributes to the premium nature of the product and which Burch says is the result of putting an award-winning vodka in an award-winning package.

Burch believes that the introduction of Uphoria and cross-marketing the fruit liquor with Polar Ice vodka will create new opportunities and new consumers for both products. Now firmly established as the number four vodka brand in the country, Polar Ice vodka is looking to become number three and is well-positioned to advance in 2006.

KAHLÚA COMEBACK YEAR

In 2005, Corby began to see positive results from its efforts to turn around the Kahlúa brand which, along with the rest of the the coffee liqueur category, had been languishing for a number of years.

Burch says that Allied Domecq made a significant investment in fiscal 2004 and fiscal 2005 to re-energize the Kahlúa brand, including a new television advertising campaign, a new point-of-sale look and promotion and extensive licensee promotions all geared at reminding people about Kahlúa and what an enjoyable drinking experience it offers.

The result was that 2005 was Kahlúa's best year in half a decade. The brand stabilized in 2005 and retail sales grew by about 1 percent over the year.

Overall, Corby owned and represented brands outperformed the liqueur category in 2005. Category-wide retail sales increased by 1.7 percent while retail sales of Corby brands grew by 4.4 percent.

Burch says that he regards the growth in Kahlúa sales as "one of our biggest successes of 2005, and represents a significant achievement in a challenging category."

CORBY 2005 CROSS-COUNTRY HIGHLIGHTS

ONTARIO – In the largest spirits market in Canada, *Corby's spirits' growth outpaced all major spirits suppliers*, and doubled that of its two biggest competitors.

QUÉBEC – Despite a 12-week work stoppage that closed the SAQ's liquor stores during the key holiday season, *Polar Ice vodka & Malibu rum liqueur both enjoyed strong growth of 11% and 8% respectively.*

MANITOBA – A strategic focus on the vodka category, coupled with Corby's proven marketing and category management skills, led to *an astounding ninefold growth for Corby vodkas in Manitoba.*

SASKATCHEWAN – Wiser's Special Blend Canadian Whisky continued to dominate the spirits category in Saskatchewan, growing 6.2% over last year to 66,000 cases. The brand's sustained growth in market share makes *Wiser's Special Blend Canadian Whisky the #1 spirit in the province* with a sales volume nearly double that of the second and third ranked brands.

ALBERTA – After two years of weakening demand in the coffee liqueur category, *Kahlúa liqueur's 4.4% growth in Alberta led the country.* With sales of 35,000 cases, Alberta ranks second only to Ontario in volume in the coffee liqueur category.

BRITISH COLUMBIA – The Wiser's family of Canadian whiskies continued its remarkable growth in BC, increasing 9% over last year to 120,000 cases. With a 23% share of the Canadian whisky category, *Wiser's is the #1 family of Canadian whiskies in this highly competitive market.*

NEWFOUNDLAND – In a province where *1 in every 4 spirits bottles sold is Lamb's Palm Breeze* rum, Corby continued to grow, increasing its category market share from 44% to 45%.

NOVA SCOTIA – *Malibu rum liqueur family* was the success story of the year, *growing 58%* in this rum dominated market.

NEW BRUNSWICK – In a province where the vodka category increased by 1%, Corby's vodkas grew an impressive 14.5% – led by *Corby's powerful brand Polar Ice vodka*, which *gained an astounding 35%.*

PRINCE EDWARD ISLAND – Even though the overall market for spirits in PEI shrank by 1%, *Corby was able to increase its sales in the province by 4%.*

UNITED STATES – Even with a strong Canadian dollar, *Corby's export portfolio (Wiser's Deluxe and Wiser's Very Old Canadian whiskies and Polar Ice vodka) grew an incredible 40%*, reaching the 100,000 case milestone.

"What distinguishes Corby," explains Corby President and CEO, Krystyna Hoeg, "is that we value and promote innovation and have successfully brought a number of new products to market. This past year was perhaps one of the most significant years of innovation in our corporate history, with the launch of a new product line and two major line extensions."

INNOVATING TO WIN

"ONE OF OUR MOST SIGNIFICANT YEARS OF INNOVATION"

In fiscal 2005, Corby introduced a new flavour as part of the very successful Malibu rum liqueur family, launched the Uphoria brand of fruit liquors, brought flavour to the gin category and participated in Canada's most successful wine launch ever involving the introduction of a new packaging concept to Canadian consumers.

While most of these launches occurred late in the fiscal year, the early indications are that they are being well received by the consumer and should contribute positively over the next 12 months.

MALIBU PASSION FRUIT

BUILDING ON THE FLAVOURS' SUCCESS

Corby continued the success story of the Malibu rum liqueur line in 2005 with the introduction in July of a new flavour – Malibu Passion Fruit.

Corby Vice President of Marketing, Simon Burch, reports that the launches of Malibu Mango and Malibu Pineapple last year were among the most successful product launches in the industry's history.

Based on the number of cases sold during the first 12 months following introduction into the market, Malibu Mango ranks as the most successful launch in Canada ever, and Malibu Pineapple ranks as the fifth.

The preliminary results indicate that Malibu Passion Fruit may match Mango's earlier success. Part of that success can be attributed to Corby's ability to quickly move the product into the retail channel by having Malibu Passion Fruit listed in all provinces, except Québec.

As remarkable as the success of the Malibu rum liqueur line extensions has been, it is also noteworthy that Corby has been able to achieve that success without undermining the viability or growth of the base brand. According to Burch, "From a financial and category management perspective, there is little point in launching a line extension to increase sales if the new product simply takes sales away from the base brand." However, data shows that the introduction of the Mango, Pineapple, and now Passion Fruit flavours has not damaged the base brand, Malibu Coconut.

Burch says, "Sales of Malibu Coconut during the peak summer sales season increased by 20 percent – a sure sign that the new flavours' success is not to the detriment of the base brand."

From a competitive point of view, Corby has built a category winner with the Malibu rum liqueur line. While other companies have introduced new flavoured rums into the US market, for example, many have been unable to enter the Canadian market, partly because of the success of the Malibu rum liqueur family.

Malibu's success in the Canadian flavoured rum liqueur market can be measured in a number of ways. Burch points out, for example, that in terms of sales, both Malibu Mango and Malibu Pineapple are each bigger on their own than the sales of the entire lineup of their closest competitor.

In 2005, total retail sales volumes of the Malibu rum liqueur family increased by 27,000 cases or by 30 percent, more than double the growth rate of a year earlier. This makes the Malibu brand one of the top four fastest growing brands in the country and by far the fastest growing brand in its category.

Burch expects that the brand will continue its strong performance in 2006. "The Malibu family is looking quite healthy for fiscal 06," said Burch. "We will have a full year of Passion Fruit, and we have only scratched the surface of the potential for the Malibu line. There are still huge growth opportunities there, and the base brand, Coconut, is continuing to grow."

BRINGING FLAVOUR TO GIN

ENERGIZING A CLASSIC

In 2005, Corby launched two new products designed to spruce up the image and broaden the appeal of one of the classic brands, Beefeater gin, the number one gin in Canada.

In essence, Corby Marketing Manager, Mark Thorne, says Corby, based on its experience with the Malibu line "wanted to see if innovation could reinvigorate a mature category" that was showing slow growth.

When Corby learned that Allied Domecq had developed orange and lime flavoured gin, the company began enthusiastically preparing for the introduction of the brand in Canada.

Corby's August 2005 launch of the product made Canada one of only two countries,

the other being Spain, where the Beefeater Flavours lines became available.

The launch of the Beefeater extension is an interesting example of how a twenty-first century innovation can have nineteenth century roots. There is evidence that James Burrough was producing a type of orange gin as early as 1864 and a 1911 orange gin recipe in Burrough's own handwriting.

While it may have taken the better part of a century to bring the concept of a flavoured gin to the modern consumer, Corby was again able to quickly and efficiently ("almost overnight" according to Andy Alexander, Corby Vice President of Sales), secure listings for Beefeater Lime and Beefeater Orange in every Canadian province.

"As with the Malibu line," Alexander explains, "our ability to move into the retail and licensee sale channels, bigger, better, faster, stronger than any of our competitors, was instrumental in ensuring a successful launch."

The early sales results are encouraging, showing that Lime is outselling Orange by a margin of 3 to 1. Thorne attributes this difference to lime's traditional association with gin but notes that Beefeater Orange drinkers tend to be a younger age group, a development which bodes well for the Flavours line and for Corby's goal of using Canada's number one gin brand to invigorate a mature category.

UPHORIA
NEW BRAND IS NEXT PHASE OF THE FLAVOUR REVOLUTION

Corby's strength in the on-premise sales channel across Canada played a critical role in both the development and the marketing of Corby's highly innovative Uphoria brand of fruit liquor.

Uphoria, Corby's first owned-brand launch in some time, was developed with the help of bartenders and is being marketed through grassroots, sampling and word-of-mouth campaigns in the on-premise channel.

Launched in June 2005, Uphoria fruit liquor is an excellent example of Corby playing to its strengths and to market trends that it is well positioned to exploit.

Specifically, Uphoria, which is available in three flavours – pomegranate, Asian pear and pink guava – is designed to be on trend and to meet the demand for new exotic colours and tastes.

Because it is a mixable liquor, it is highly versatile, attracting consumers who are looking for new drinks or for a new twist on an old favourite.

According to Corby Senior Brand Manager, Dan Lundberg, "Uphoria has the potential to totally transform the way people make and experience cocktails, shooters and martinis. It also provides a great way for Corby to support our Polar Ice vodka franchise. We are offering consumers the chance to experience an award winning premium vodka with a number of different exotic flavoured liquors. The end result is that consumers benefit from more choice, more flexibility and higher quality than they could achieve by simply buying a flavoured vodka product."

Corby is promoting the synergy between Uphoria liquor and Polar Ice vodka through a number of initiatives including using Uphoria on-packs with Polar Ice and promoting both products in the drink strategy for Uphoria.

Corby's marketing strategy for Uphoria is being conducted primarily through the on-premise channel, leveraging its status as Supplier of Choice with licensees and the credibility that bartenders have with their customers, to build awareness and sampling among trendsetting consumers.

Lundberg expects that, because of the nature of the product, Uphoria liquor will have a slower build than some of Corby's other new products in keeping with a category that is discovered rather than mass marketed. The early results, nonetheless, have been encouraging.

In its first three months in the market, sales of Uphoria have outpaced those of all other competitive mixable liquor launches and the sales outlook for fiscal 2006 is promising.

FRENCH RABBIT
CORBY HELPS FRENCH RABBIT HOP INTO THE MARKET

If Malibu Passion Fruit rum liqueur, Beefeater gin Flavours and Uphoria liquor demonstrated Corby's ongoing commitment to successful product innovation, the company's involvement in the launch of the French Rabbit wine line showed the company was also interested in exploring innovations in packaging.

Corby partnered with the LCBO on the global launch of French winery Boisset's three varietals of its French Rabbit wine – Merlot, Chardonnay and Cabernet Sauvignon.

The unique feature of the product is its packaging – the wine comes in an environmentally friendly Tetra Pak recyclable container that generates 90 percent less packaging waste than bottled wine.

Corby Vice President of Sales, Andy Alexander, has been involved in the wine business since the late 1970s and has been part of a number of big product launches. He says that the launch of French Rabbit was the biggest and most successful wine product launch in Canada.

The initial order of 15,000 cases (5,000 for each of the three varietals) was expected to last from the time of launch in August through the 2005 holiday season. The launch was so successful and the product so popular that the initial order sold out by October, forcing Corby to postpone its plans to distribute the product in other Canadian provinces.

"The success of French Rabbit wine," says Alexander, "shows that consumers are open to alternatives to traditional packaging, particularly if there is a demonstrable environmental benefit."

"We are so pleased by the results of the French Rabbit launch that we expect to distribute another line of wine products, the Bandit line from Three Thieves Winery, in a Tetra Pak container early in fiscal 2006."

MANAGING INNOVATION
KEY TO SUCCESS

The Corby experience in 2005 serves to underline the difference highlighted by CEO Krystyna Hoeg between innovation and commercially successful innovation – a good idea or a good new product by itself does not necessarily translate into sales or growth. Turning an idea into revenue or a bigger market share requires discipline, coordination and sound management.

As Ms. Hoeg said in reflecting on Corby's innovation record in 2005, "Identifying the opportunities, securing the listings and then executing in the marketplace are the hallmark of our success. It is a team effort involving our entire organization. All of us take pride in our success and are confident that we have a solid foundation to build upon in 2006."

CORBY'S LOGISTICS TEAM RECOGNIZED

The vast majority of consumers probably don't give a thought about how that bottle of Wiser's Canadian whisky or Polar Ice vodka that they are picking up made it from wherever it was produced to the point of sale.

But getting that bottle to the shelf, and making sure there is enough of the right product in the right place at the right time, is something that Dave Smith, Corby's Director of Supply Chain & Logistics, and his team think about all the time.

And they have a lot to think about because they have to manage the distribution of some 4 million cases a year through a network that supplies all of Canada from production facilities located in Windsor, Ontario, Montreal, Québec, Fort Smith, Arkansas and Dumbarton, Scotland. And on top of that they have to coordinate with all of Corby's agency suppliers.

The primary responsibility of Smith and his team – Larry Willard, Supply Chain Manager; Samarie Lumsden, Supply Chain Planner; and Gerry Cristiano, Montreal Plant Manager – is to provide integrated supply chain management and logistical planning that meets the demands and requirements of Corby's Sales, Marketing and Finance departments as well as the company's customers from coast to coast to coast.

In addition to managing transportation and logistics, the team is also in charge of such things as sales and shipment forecasting, co-packing and Christmas Gift pack management and product change management.

It's a complex multi-layered job and according to the Liquor Control Board of Ontario, Corby's single biggest customer, Smith and his crew are better at it than anyone else in the business, which is why the LCBO named Corby "Partnership Award – Supply Chain".

In presenting the award, the LCBO referenced Corby's excellent working relationship with the LCBO, Corby's superior level of customer service and Corby's record of minimizing out of stocks while achieving higher order fill rates, on-time deliveries and higher forecast accuracy than any of its competitors.

Smith said that while the award reflected the contributions of both his team and other parts of the Corby organization, special credit had to go to Larry Willard and Ian Buchanan who manage the frontline relationship with the LCBO.

According to Smith, the formula for building and running an award-winning, best-in-class supply management operation is a simple one – plan, communicate, influence, think before acting, be agile, be prepared for 11th hour contingencies, and execute.

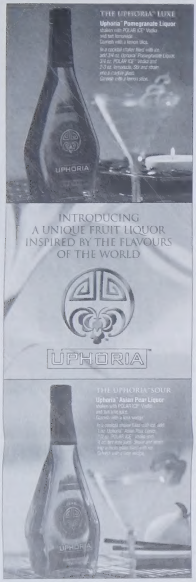
It's not only the LCBO who thinks that this is a winning approach. Corby Vice President, Finance, and CFO John Nicodemo said, "Dave and his colleagues are in many ways the backbone of our organization and often our unsung heroes."

Good Governance Protects Shareholder Value

Marc Valencia, Vice President, General Counsel and Corporate Secretary at Corby, believes that good corporate governance makes a significant contribution to both protecting and enhancing shareholder value in a company.

"In today's capital markets, regulators, shareholders and investors are demanding that management and directors of publicly traded companies make corporate governance a top priority. A company with a good governance record will be in a better position to attract and keep investors because investors will be confident that shareholder interests are considered in corporate decision-making," Valencia says.

Valencia notes that one key to maintaining good governance practices is constant monitoring of the myriad rules, guidelines, policies, notices, decisions and legislation being proposed or enacted by regulators and legislators. The 2002 passage of the Sarbanes-Oxley Act in the US and the corresponding Canadian equivalent, he points out, started the single largest reform of securities and financial disclosure laws and regulations in seventy years. "It is critical that we stay on top of all the regulatory changes that impact our policies, processes and procedures," Valencia explains. "At Corby, we pride ourselves in being in full compliance with applicable legal requirements and work hard to meet our shareholders' expectations with respect to transparency



REAL PLAYERS = REAL COMPETITIVE ADVANTAGE

At Corby, all business areas, including Human Resources, are challenged by Corby President and CEO, Krystyna Hoeg, to deliver competitive advantage through the best utilization of 'Real Players'. Attracting and retaining employees who can thrive in the Corby environment creates advantages and opportunities in the market.

Ismat Mirza, Corby Vice President of Human Resources and Chief Privacy Officer, says that Real Player Values – one element of Corby's overall HR strategy – has been an invaluable tool in meeting that challenge. According to Mirza, the Real Player Values strategy has evolved over the past three years from "being a statement about *how we want to work at Corby* to being a description of *how we do work at Corby.*"

"Human Resources makes a positive and quantifiable contribution to the bottom line in a number of ways," explains Mirza. "First and foremost, a solid business strategy coupled with a consistent HR strategy helps you make sound hiring decisions. Second, it helps you hire people who are highly deployable, which allows you to leverage your human resources while providing the employee with the chance to grow and develop. Third, you achieve higher rates of retention and employee satisfaction, which in turn translates into higher productivity, improved ROI and lower recruitment costs."

At Corby, Mirza says the right person for a position is not simply the person with the appropriate skill set, education and experience, but the person who can thrive and develop in the Corby culture. A combination of these elements into an environment that is fast, efficient and focused develops competitive advantage.

"Corby is a very lean and flat organization," says Mirza. "We are quick, goal oriented, forward looking and very entrepreneurial. We use the Real Player Value strategy to help us determine how a candidate would perform in that culture."

To make sure that Corby has the people it needs to reach its business objectives, Mirza and her department work closely with the managers of the various divisions to develop a sound understanding of the company's business goals.

"We take a collaborative management approach," says Mirza. "We work with the other VPs to ensure that they have the people they need to get the job done, and our strategy is aimed to ensure they can deliver against their objectives."

The Corby HR department also emphasizes the value of hiring versatile people. "When I look at a candidate, I ask not only if this person can do the job for which they are being considered but what else could they do to add value to our operations," Mirza says.

An example of this philosophy is reflected in Corby's internal training program called Special Investment Projects (SIPS). SIPS is designed to give top performers experience in other parts of the Corby operation by putting them on teams assigned to special projects in those areas. This way, the company has access to a pool of talented, skilled individuals who can be deployed across a number of business units.

"At HR, we see our job as being primarily to align with the business, and build teams that sharpen our competitive advantage," says Mirza. In a retail market as regulated as Corby's, one area where the company can differentiate itself from its competitors is not only in the quality of its products, but the quality of its people and the quality of the relationships that they build with Corby's partners and stakeholders.

ADDING VALUE FOR SHAREHOLDERS THROUGH AGENCY PARTNERSHIPS

Corby has provided an effective route to the Canadian market for international spirit and wine agency brands for many years. "The critical success factor for any brand in the Canadian marketplace is having the right representation at liquor boards and an efficient team that can deliver distribution and execute brand strategies in all trade channels," noted Kirsten Devitt, Business Development Manager for Agency Spirits at Corby.

With agency spirit brands like Stolichnaya and Belvedere vodkas, Corby is able to complement its own Polar Ice vodka and provide a stratified vodka category management approach to liquor boards. A longstanding relationship with Cantrell & Cochrane International of Dublin provides Corby with significant international trademarks like Carolans Irish Cream and Frangelico. Brands of this calibre, with an established consumer following, fill voids in the Corby portfolio and enhance the selection that can be provided to both liquor boards and the on-premise trade.

"Wines of the world are a natural extension of our strategy to be Supplier of Choice," explains Tess Michelis, Corby's Marketing Manager for Wines. "For example, the Folonari and Melini wines from Italy's leading winemaker, Gruppo Italiano Vini, are a perfect combination of tradition and premium image that today's sophisticated wine consumer is demanding."

Wine consumption in Canada continues to grow as consumers explore offerings from vintners in the four corners of the globe and the Corby portfolio meets this demand with premium wines from Tarapaca in Chile, Sutter Home and Trinchero from California, along with perennial favourites like Germany's Black Tower.

"We are fortunate to have alliances with brand owners that have a strategic commitment to the Canadian marketplace and exceptional brands that enhance our overall portfolio," summarizes Andy Alexander, Corby's VP of Sales. Great partnerships, great brands – a profitable combination.

PERNOD RICARD ACQUIRES ALLIED DOMECQ

PORTFOLIO AND BOARD CHANGES AS A RESULT OF TRANSACTION

The July 2005 acquisition of Allied Domecq PLC by Pernod Ricard SA has resulted in a new majority shareholder for Corby and changes to Corby's portfolio.

As announced on April 21, 2005, subject to a number of conditions and shareholder and regulatory approvals, Allied Domecq received an offer from Pernod Ricard to acquire all of Allied Domecq's outstanding shares. Although other potential bidders were mentioned, after satisfaction of conditions and receipt of approvals, the transaction closed July 26, 2005 with Pernod Ricard being successful. As part of the transaction, Pernod Ricard acquired Allied Domecq's ownership of 51 percent of the outstanding voting Class A common shares of Corby, making Pernod Ricard Corby's new majority shareholder.

Following the transaction, Pernod Ricard then sold to Fortune Brands, Inc. certain of Allied Domecq's assets, brands and businesses, including Canadian Club whisky, Maker's Mark bourbon and Sauza tequila, all of which were distributed in Canada by Corby. Subsequently, Fortune agreed that Corby would continue to represent three of the brands – Courvoisier cognac, Teacher's Scotch whisky and Laphroaig Single Malt Scotch whisky – that it acquired from Pernod Ricard.

With respect to the portfolio changes, while the brands sold by Pernod Ricard represented 14 percent of Corby's volume, they accounted for only 4 percent of net operating revenue in fiscal 2005. Corby remains the Canadian marketer and distributor for the former Allied Domecq brands retained by Pernod Ricard subject to, among other things, a review by Pernod Ricard of its Canadian business strategy.

Pernod Ricard is the second largest operator worldwide in the wine and spirits market, with strong sales around the world: 16 percent in France, 28 percent elsewhere in Europe, 26 percent in North America (including Mexico), 20 percent in Asia/rest of the world, and 10 percent in South America.

As the new majority shareholder, Pernod Ricard appointed three senior representatives to the Corby Board of Directors, replacing those previously appointed by Allied Domecq.

George McCarthy, Chairman of the Board, thanked the outgoing Allied Domecq's representatives on the Board, Con Constandis, Harold Gorman and Mary Thomas, for their service and contribution to the company and said that "we look forward to working with the new directors on the Corby Board."

The three new Board members from Pernod Ricard are Michel Bord, Chairman and Chief Executive Officer, Pernod Ricard USA & North America; Armando de Medeiros, President and Chief Executive Officer, Pernod Ricard Canada; and Frédéric Villain, Chief Financial Officer, Pernod Ricard North America.

Krystyna Hoeg, Corby President and Chief Executive Officer, welcomed the company's new majority shareholder indicating that Corby "looks forward to partnering with Pernod Ricard in Canada."

While the Pernod Ricard/Allied Domecq transaction was a significant event and one, which according to Krystyna Hoeg, Corby monitored "with great interest," neither the Board nor management of Corby allowed the transaction to distract their attention from the task of growing the business and adding value for Corby's shareholders. As Ms. Hoeg stated when the transaction was announced in April, "We will remain focused on continuing to enhance our leadership position in the industry."

The results for 2005 show that the Corby team successfully maintained their focus. In a year that saw a change in Corby's majority shareholder and a long labour dispute that closed one of the company's major customers for one of the year's key seasons, Corby led the sector in growth while a number of its most important brands enjoyed a landmark year.

TOP 25 BRANDS IN CANADA

Period Ending August 2005

'05	BRAND
1	Smirnoff
2	Bacardi White
3	Crown Royal
4	Canadian Club
5	**Wiser's De Luxe**
6	Bailey's Irish Cream
7	Captain Morgan White
8	Alberta Vodka
9	**Corby Royal Reserve**
10	Absolut
11	**Polar Ice**
12	**Lamb's Palm Breeze**
13	Gibson's Finest 12 Year
14	**Wiser's Special Blend**
15	Russian Prince
16	Appleton Estate VX
17	Alberta Premium
18	St Remy Brandy Napoleon
19	**Lamb's White Rum**
20	**Beefeater**
21	**Kahlúa**
22	Bacardi Gold
23	Golden Wedding
24	Gordon's Dry Gin
25	Captain Morgan Spiced Rum

This information is not part of the Financial Statements. It is for information purposes only.

and accountability."

In 2005, for instance, Corby acted quickly to ensure that it complied with the new guidelines on the function and the composition of audit committees issued by the Ontario Securities Commission.

Valencia stresses that the job is made easier by the support he receives from other senior management and the Corby Board of Directors. "Technical compliance by itself will not ensure good governance," declares John Nicodemo, Corby Chief Financial Officer and Vice President, Finance. "It demands a commitment on the part of the whole organization to put the shareholders' interests first."

At Corby, that commitment comes from the top, from President and CEO Krystyna Hoeg and from members of the Board of Directors, particularly from Board Chairman George McCarthy and Gary Girvan, Chair of the Corporate Governance and Nominating Committee of the Board.

"The senior leadership at Corby has made it very clear that they are fully engaged in and committed to making sure this company maintains a mindset that focuses on the rights and interests of its shareholders," declares Valencia.

With these principles entrenched in Corby's corporate culture, Valencia believes the company will continue to meet and exceed the standards of disclosure, transparency and accountability of the Canadian capital market.

Corby in the community

At Corby, part of being a good corporate citizen involves helping to improve the quality of life in the communities where Corby employees and Corby customers and their families live and work.

In 2005, Corby continued to act as a major sponsor for a number of high profile events in Toronto including the Brazilian Ball, and for the sixth consecutive year, Pride Week and the Pride Parade.

The latter event attracts more than one million people. Corby has used its sponsorship to raise the profile and awareness of Polar Ice vodka, which is the named sponsor for the Pride Party held during the week.

Supporting local charities allows Corby to help out in a way that is meaningful and beneficial to the community. The company also makes a point of supporting charitable events in which Corby employees are involved on a volunteer basis.

In addition to the company's continuing support for Easter Seals and the United Way, some highlights from 2005 include:

BIG BROTHERS AND BIG SISTERS ANNUAL GOURMET DINNER FUNDRAISER – TORONTO, ONTARIO

It was through External Affairs Vice-President Howard Kirke's volunteer work (a former member of the Board of Directors) that Corby became involved with the Big Brothers and Sisters organization. For the past two years, the company has helped sponsor the organization's Annual Gourmet Dinner Fundraiser at the Toronto Convention Centre.

THE EVENING FOR HUMANITY – MISSISSAUGA, ONTARIO

After the South Asia tsunami disaster last December, Corby Financial Analyst, Jaime Ho, and five of her friends teamed up with the Canadian Red Cross to create and stage a fundraiser for tsunami relief that they called "The Evening for Humanity".

The event was held in Mississauga, Ontario in January 2005. Corby was pleased to be able to support Jaime's efforts by being one of the event's major sponsors. The company made a product donation and provided general support.

Thanks to the work of Jaime, her friends and the Red Cross, the event attracted 525 people and raised about $60,000 for Red Cross relief work.

THE MULTIPLE SCLEROSIS (MS) SOCIETY OF CANADA – MANITOBA AND SASKATCHEWAN CAMPAIGNS

Roy DaCosta, Corby's Provincial Sales Manager for Manitoba and Saskatchewan, coordinated Corby's campaign in support of the MS Society's chapters in those two provinces.

The company helped sponsor a billboard campaign and ran an in-store program including neck tags, posters and employee pins. The company also donated a portion of the proceeds of the sales of bottles of Wiser's De Luxe Canadian Whisky in the two provinces in the month of December to the MS Society.

Roy reports that the campaign was very successful and attracted a lot of community support. The MS chapters in Manitoba and Saskatchewan each received a cheque for the maximum amount.

Roy also notes that this was the first time ever in Manitoba that a liquor company was allowed to use its name on an outdoor billboard as part of a promotion.

THE KIDNEY FOUNDATION FUNDRAISER – WINDSOR, ONTARIO

The Kidney Foundation Holiday Party Fundraiser was another example of Corby supporting an event in which one of its employees was involved as a volunteer.

Corby Business Planning Analyst, Stephanie Marcoux, was a member of the organizing committee that put on the event.

Corby helped out as a Platinum Sponsor and by making a product donation.

In a letter of appreciation from the Windsor and District Chapter of the Kidney Foundation of Canada, Corby was commended for helping the organization exceed its fundraising goal of $20,000.

OPÉRATION ENFANT SOLEIL – MONTREAL, QUÉBEC

In 2002, Corby plant worker, Marc Labonté, began an internal fundraising effort to raise money for Operation Enfant Soleil, a non-profit organization which raises funds for pediatric care at Sainte-Justine Hospital and the Montreal Children's Hospital.

As a result of Marc's initiative, each spring the plant workers collectively contribute to this worthy cause through a donation box installed at the plant. Recently, the head office in Toronto agreed to match the amount raised by the workers – doubling the value of their efforts.

As a company, Corby believes that it has a responsibility to give something back to the communities in which it operates and where it sells its products. The Directors and management of Corby extend their appreciation to all those Corby employees who volunteered and helped out in 2005.

SOCIAL RESPONSIBILITY – A KEY TO SUSTAINABLE BUSINESS

Corby's Vice President of External Affairs, Howard Kirke, sees his primary job as supporting efforts to protect, promote and enhance the company's corporate reputation with stakeholders including consumers, liquor boards, regulators, licensees and governments.

"Given the nature of our product, a positive corporate reputation is essential to our long-term sustainability. Controversy does not enhance our competitiveness," says Kirke. "Our primary responsibility in External Affairs is to manage issues in ways that will reflect positively on the company and will ensure that management is not distracted from its efforts to grow the business and add value for our shareholders."

At the centre of Corby's Corporate Social Responsibility strategy is its on-going support for initiatives to encourage responsible consumption of alcoholic beverages.

Kirke stresses that this is a responsibility that is shared with the industry as a whole and with the regulators and liquor boards across the country. "Through our own advertising campaigns and those of our customers we support a wide range of advertising and communications programs to promote responsible enjoyment of our products and to support community efforts to prevent abusive behaviour."

In addition to the work it does through the industry, Kirke says that Corby has its own internal processes and procedures to ensure that all advertising and promotion of its products conform to community standards and the relevant regulations.

Corby's support for responsible consumption and its sensitivity to community standards is one of the reasons why Kirke says the company scores high marks on one of the other key criteria he uses to measure the success of External Affairs – the nature of the company's relationships with regulators across Canada.

"I think it is fair to say that we have excellent relationships with our regulators and liquor boards in every Canadian jurisdiction," says Kirke. "This is due to the fact that Corby is perceived as being a very good corporate citizen and to the very positive relationships that our front-line staff in sales, marketing and logistics have built with their counterparts in the provincial liquor boards."

Kirke believes that a good corporate reputation and strong relationships have real commercial benefits for Corby.

"The regulators and retailers know that Corby is as committed to community standards, consumer safety and regulatory compliance as it is to product quality, on-time delivery and in-store support. You need to score high marks on all these factors to be the Supplier of Choice – we do and we are," says Kirke.

CORBY BRANDS DOMINATE "BEST OF THE BEST" IN 2005

Corby Vice President of Marketing, Simon Burch, says that in the spirits industry a brand that can add 20,000 cases in retail sales on a year over year basis is considered to be among the "Best of the Best".

By that measure Corby would be the undisputed brand champion in 2005.

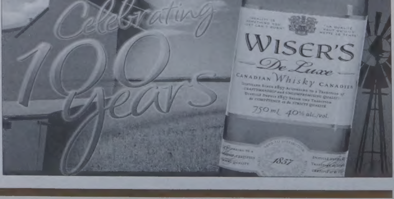
In the 12 month period ending August 2005, only four Canadian brands were able to reach or exceed the 20,000 case threshold in growth.

Three of those four were Corby brands.

The **WISER'S** Family of Canadian whiskies added 43,000 cases to its retail sales volume, the largest increase attained by any brand in any category. The phenomenal growth of **POLAR ICE VODKA** continued unabated with an increase in retail sales of 33,000 cases, and retail sales of the **MALIBU** Family of rum liqueurs jumped by 27,000 cases.

In each instance, the increase in retail sales volume also produced an increase in market share.

However measured, 2005 was a banner year for some of Corby's showcase brands which established a robust platform for growth in 2006.



CORBY financials '05

MANAGEMENT'S REPORT

Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of Corby Distilleries Limited were prepared by management in conformity with accounting principles generally accepted in Canada. The significant accounting policies, which management believes are appropriate for the Corporation, are described in the accompanying "Summary of Significant Accounting Policies." The financial information contained elsewhere in this Annual Report is consistent with that in the financial statements.

Management is responsible for the integrity and objectivity of the information contained in the financial statements and the "Management's Discussion and Analysis," including that which is based on estimates and judgements when transactions affecting the current accounting period are dependent upon future events. Management has established systems of internal control that are designed to provide reasonable assurance that assets are safeguarded from losses or unauthorized use and to produce reliable accounting records for the preparation of financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board has constituted an Audit Committee of Directors who are not members of management. The Committee meets periodically with management, the internal auditors and the external auditors to receive reports on internal accounting controls and audit results and to review accounting principles and practices. The Committee also reviews the financial statements and the external auditors' report thereon to the shareholders prior to submission to the Board of Directors for approval.

Management recognizes its responsibility for conducting the Corporation's affairs in compliance with established financial standards and applicable laws and maintains proper standards of conduct for its activities.

AUDITORS' REPORT

Auditors' Report to Shareholders

We have audited the consolidated balance sheets of Corby Distilleries Limited as at August 31, 2005 and 2004 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at August 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Toronto, Canada
October 6, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended August 31, 2005 prepared in accordance with Canadian generally accepted accounting principles and dated October 20, 2005.

This MD&A contains forward-looking statements, including statements concerning possible or assumed future results of operations of the Company. Forward-looking statements typically are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, including, but not limited to: the impact of competition; consumer confidence and spending preferences; general economic conditions; and the Company's ability to attract and retain qualified employees and, as such, the Company's results could differ materially from those anticipated in these forward-looking statements.

This MD&A has been reviewed by the Audit Committee of Corby Distilleries Limited's Board of Directors and contains certain information that is current as of October 20, 2005. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. Corby Distilleries Limited may, but is not obligated to, provide updates to forward-looking statements, including in subsequent news releases and its interim management's discussion and analyses filed with regulatory authorities. Additional information regarding Corby Distilleries Limited is available on SEDAR at www.sedar.com.

All dollar amounts are in Canadian dollars unless otherwise stated.

[Overview]

Corby Distilleries Limited ("Corby" or the "Company") continues in its efforts to build its spirit brands to drive profitable organic growth with strong, consistent cash flows both in Canada and internationally.

The financial results for the year ended August 31, 2005 reflect a strong performance by the Company. Earnings per share increased to $5.62 in fiscal 2005 from $4.59 in fiscal 2004, an increase of almost 23%. The growth was mainly the result of an increase of $6.2 million in net operating revenue, coupled with a $4.8 million increase in equity earnings of the Tia Maria Group. Corby's key brands of Wiser's whiskies, Polar Ice vodka, and Lamb's rum, continued to demonstrate strong growth as evidenced by a collective increase of almost 9% in shipment volumes for the year ended August 31, 2005 as compared to the prior year.

These positive results were achieved in spite of the challenges posed by the disruption in operations experienced at one of Corby's key customers, the Société des alcools du Québec ("SAQ"), as a result of a labour dispute with its unionized employees. The disruption in operations began on November 18, 2004 and lasted until February 11, 2005 and resulted in reduced shipments into the province of Québec during the second quarter of fiscal 2005. It is estimated that the disruption in operations at the SAQ had the effect of reducing net operating revenue by $1.3 million for the year ended August 31, 2005.

[Significant Events]

Acquisition of Allied Domecq PLC by Pernod Ricard S.A.

As previously disclosed, Pernod Ricard S.A.("Pernod") completed its acquisition of all of the outstanding shares of Allied Domecq PLC ("Allied Domecq"), Corby's ultimate majority shareholder, on July 26, 2005 ("PR Acquisition"). As a result of this transaction, Pernod became the ultimate majority shareholder of Corby. Following the completion of the PR Acquisition, Pernod agreed to sell to Fortune Brands Inc. ("Fortune"), several assets, brands, and businesses, including certain brands currently distributed in Canada by Corby ("FB Brands").

Corby and Pernod are currently operating under agreements that were originally signed between Corby and Allied Domecq. Under these agreements, each of the parties provides various services to the other. Corby continues to represent the brands which were acquired and retained by Pernod as part of the PR Acquisition ("PR Brands"). Furthermore, Pernod has continued to manufacture certain brands for Corby, in accordance with the terms of the original agreements

Corby's Management Team

JOHN NICODEMO
CFO Vice President Finance

with Allied Domecq. The brands manufactured by Pernod account for approximately 75% of Corby's production volumes for its owned brands.

Following the change of control of Allied Domecq resulting from the PR Acquisition, these agreements may be terminated upon six months notice, or payment in lieu of such notice. While Corby has not entered into new agreements with Pernod, the Company does not anticipate any disruption of production of its owned brands.

For further details on the transactions between Corby and Allied Domecq prior to the PR Acquisition, and between Corby and Pernod subsequent to the PR Acquisition, please refer to the "Related Party Transactions" section in this MD&A and Corby's audited consolidated financial statements for the year ended August 31, 2005.

Changes in Corby's Brand Portfolio

Following Fortune's aforementioned acquisition of the FB Brands, Corby received a notice dated August 22, 2005 stating that it would cease to represent the FB Brands, including Canadian Club whisky and Sauza tequila, as of September 30, 2005. The FB Brands were previously provided for under certain agreements with Allied Domecq, to which Pernod succeeded. Under the terms of such agreements, Corby is entitled to six months notice, or, alternatively, payment of an amount equal to the commissions that Corby would have earned during such notice period.

Corby continued to earn commission on the FB Brands until September 30, 2005 and then received a payment in the amount of $1.9 million as payment for the commissions that Corby would have earned during the period from October 1, 2005 until February 23, 2006. The revenue impact of the $1.9 million lump sum payment will be reflected in the results of the Company's first interim period of fiscal 2006.

The FB Brands accounted for 14% of Corby's sales volume in fiscal 2005. However, since Corby only earns commission income on these brands, the FB Brands represented approximately 4%, or $5.1 million, of the Company's net operating revenue.

Subsequent to Corby's year ended August 31, 2005, the Company reached an agreement with Fortune to represent three of the FB Brands ("TLC Brands"). These premium brands, Courvoisier cognac, Teacher's scotch whisky, and Laphroaig single-malt scotch whisky, complement Corby's diverse brand portfolio. The representation agreement for these brands contains similar commercial terms as the prior agreement with Allied Domecq. Corby earned approximately $0.7 million in commission income from these brands during the year ended August 31, 2005.

Changes to Corby's Fiscal Year End and Board of Directors

In order to align the Company's financial reporting calendar with that of Pernod, Corby is changing its fiscal year end from August 31 to June 30, going forward. Therefore, Corby will report its fiscal 2006 results based on the following fiscal timeline:

- First Interim Period: Four months ending December 31, 2005
- Second Interim Period: Seven months ending March 31, 2006
- Year End: Ten months ending June 30, 2006

Furthermore, the following Pernod representatives joined Corby's Board of Directors to replace the former Allied Domecq representative directors:

- Michel Bord, Chairman, President and Chief Executive Officer, Pernod Ricard North America;
- Frédéric Villain, Chief Financial Officer, Pernod Ricard North America; and
- Armando de Medeiros, President and Chief Executive Officer, Pernod Ricard Canada.

Financial Results of Operations

Three Year Financial Review

	2005	% change 2005-04	20[illegible]	[illegible]	[illegible]
Net operating revenue	$ 124.9	+5%	[illegible]	[illegible]	[illegible]
Net earnings	$ 39.9	+23%	[illegible]	[illegible]	[illegible]
Basic EPS	$ 5.62	+23%	[illegible]	[illegible]	[illegible]
Fully diluted EPS	$ 5.62	+23%	[illegible]	[illegible]	[illegible]
Total assets	$ 313.2	+6%	[illegible]	[illegible]	[illegible]
Total liabilities	$ 170.5	-3%	[illegible]	[illegible]	[illegible]
Dividends paid per share	$ 2.20	+10%	[illegible]	[illegible]	[illegible]

Year Ended August 31, 2005

Net earnings amounted to $39.9 million or $5.62 per share for the year ended August 31, 2005 compared with $32.5 million or $4.59 per share for the corresponding period last year.

Corby's net operating revenue, consisting of net sales revenue and commission income, for the year ended August 31, 2005 increased by over 5% to $124.9 million as compared to the prior year. Net sales revenue from Corby's owned brands increased by over 7%, to $98.0 million in fiscal 2005 while contract bottling revenues decreased by $0.5 million to $10.1 million. The growth in net sales revenue from Corby's owned brands was primarily the result of an increase of almost 6% in shipment volumes, coupled with improved product mix. Corby succeeded in growing shipment volumes for key brands in all major markets, with the exception of Québec due to the aforementioned disruption in the SAQ's operations.

Commission income was $16.8 million and $16.7 million in fiscal 2005 and fiscal 2004, respectively. Approximately $6.6 million of the commission income earned in fiscal 2005 was derived from Corby's representation of the PR Brands while $5.1 million was earned from the representation of other third party spirit and wine brands. Of the remaining $5.1 million in commission income earned in fiscal 2005; $4.4 million was earned from the FB Brands which Corby ceased representing on September 30, 2005, while $0.7 million was earned from the TLC Brands.

The growth in shipments and net operating revenue resulted in an increase of over 8% in Corby's earnings from operations for the year ended August 31, 2005 versus the corresponding period last year.

Gross margins for sales of Corby's owned brands improved slightly from 56.8% in fiscal 2004 to 57.2% in fiscal 2005, as the higher costs associated with the production of aged whisky were more than offset by growth in sales of higher margin brands.

Marketing, sales and administration expenses for the year ended August 31, 2005 amounted to $34.4 million compared with $33.9 million for the corresponding period last year. An increase of $0.9 million in the expense of the Company's Share Appreciation Rights ("SARs") plan along with higher costs associated with the Company's employee pension and bonus plans were the main drivers of the increased expense. The SARs expense was mainly due to the immediate vesting of all the outstanding SARs as a result of the change in control of the Company, which occurred upon the PR Acquisition.

Partially offsetting the above was a decrease of $1.6 million in advertising and promotional expenditures, resulting from the Company not repeating the fiscal 2004 television campaigns for Polar Ice vodka and Wiser's whiskies. However, Corby continued to make significant targeted investments in its key brands and their strong performance reflected the benefits of these investments. In particular, Wiser's whiskies and Polar Ice vodka continued to grow at a significantly faster pace than their respective categories for the year ended August 31, 2005. Please refer to the "Key Brand and Major Market Performance Review" section for further details.

Equity earnings from Corby's 45% investment in the Tia Maria Group ("TMG"), increased to $9.9 million for the year ended August 31, 2005 compared with $5.1 million for the corresponding period last year. A decline in reported operating revenue was more than offset by a decrease in reported advertising and promotional expenditures on the Tia Lusso brand.

Total operating revenue for TMG for the year ended August 31, 2005 amounted to $59.8 million compared with $69.1 million for the corresponding period last year. The main reason for the decrease was a reduction in operating revenue from the Tia Lusso brand, which contributed $1.4 million to operating revenue in fiscal 2005 versus $13.4 million in fiscal 2004. This was partially offset by an increase of $2.7 million in operating revenue from the Tia Maria brand in fiscal 2005.

Total advertising and promotion expenses for TMG amounted to $16.2 million for the year ended August 31, 2005 compared with $33.8 million for the corresponding period last year. The decrease was due to a reduction in advertising and promotion expenses on the Tia Lusso brand, which were $1.1 million in fiscal 2005 versus $23.7 million in fiscal 2004. Partially offsetting this reduction was an increase of $4.9 million in the advertising and promotional spending on the Tia Maria brand, which was mainly the result of a marketing campaign launched for the 2004 holiday season.

Overall, the total net earnings of TMG amounted to $22.1 million for the year ended August 31, 2005 compared with $11.4 million for the corresponding period last year.

Corby's income tax provision for the year ended August 31, 2005 amounted to $11.6 million compared with $10.3 million for the prior year. The tax provisions reflect effective tax rates of 23% and 24% for the years ended August 31, 2005 and 2004, respectively. The decrease in the effective tax rate was mainly due to the increase in equity earnings received from TMG, which is not subject to corporate income taxes.

Three Months Ended August 31, 2005

Net earnings for the quarter ended August 31, 2005 amounted to $10.6 million or $1.49 per share compared with $7.7 million or $1.09 per share for the corresponding period last year. The main reasons for the growth in net earnings were an increase of $3.6 million in net operating revenue coupled with an increase of $2.3 million in the equity earnings from TMG for the quarter. This was partially offset by a $2.1 million increase in marketing, sales and administration expenses.

The primary reason for the growth in net operating revenue was an increase of almost 12% in shipments of Corby's owned brands for the three months ended August 31, 2005 compared with the corresponding period last year. The increase in marketing, sales and administration expenses was the result of increased advertising and promotional expenditures as well as higher general and administrative expenses.

Advertising and promotional expenditures for the three months ended August 31, 2005 increased by $1.0 million due to increased retail programming expenses compared with the corresponding period last year, in addition to the costs associated with the summer launch of the new Uphoria brand of liquors.

The increase in general and administrative expenses was mainly driven by a $0.6 million increase in the expense associated with the Company's SARs plan. The SARs expense was mainly due to the immediate vesting of all the outstanding SARs as a result of the change in control of the Company resulting from the PR Acquisition.

Net earnings from TMG for the quarter ended August 31, 2005 were $5.7 million compared with $0.3 million for the corresponding period last year. The main reason for the increase in net earnings was a reduction of $5.9 million in advertising and promotional expenditures, in addition to a $1.0 million increase in operating revenue for the quarter ended August 31, 2005. The decrease in advertising and promotional expenditures reflects the reduction in spending associated with the Tia Lusso brand compared with the corresponding period last year. The increase in operating revenue was driven by an increase in shipment volumes for the Tia Maria brand, partially offset by reduced shipments for the Tia Lusso brand.

Summary of Quarterly Financial Results

	2005				2004			
	Q4	Q3	Q2*	Q1*	Q4	Q3	Q2	Q1
Net operating revenue	$ 35.0	$ 27.9	$ 25.2	$ 36.8	$ 31.4	$ 25.8	$ 28.9	$ 32.7
Earnings from operations	$ 10.7	$ 10.2	$ 5.7	$ 13.3	$ 10.3	$ 7.9	$ 6.8	$ 11.8
Equity earnings (loss) from TMG	$ 2.6	$ 2.0	$ 1.1	$ 4.2	$ 0.3	$ (0.4)	$ 2.7	$ 2.5
Net earnings	$ 10.6	$ 9.8	$ 5.5	$ 14.0	$ 7.7	$ 5.6	$ 8.2	$ 11.0
Basic EPS	$ 1.49	$ 1.38	$ 0.77	$ 1.98	$ 1.09	$ 0.79	$ 1.16	$ 1.56
Fully diluted EPS	$ 1.49	$ 1.38	$ 0.77	$ 1.98	$ 1.08	$ 0.79	$ 1.16	$ 1.55

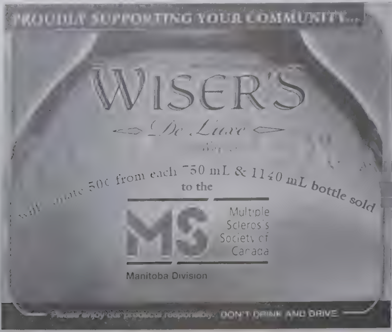
** In both Q1 2005 & Q2 2005, Corby's financial results were impacted by a disruption in operations experienced at one of the Company's key customers, the Société des alcools du Québec ("SAQ"). It is estimated that the disruption in operations at the SAQ had the effect of reducing net operating revenue by $1.3 million in the first six months of fiscal 2005.*

Corby's annual business cycle displays the effect of seasonality on two fronts. The retail holiday season generally results in an increase in consumer purchases over the course of October, November and December. Further, the summer months traditionally result in higher consumer purchases of spirits as compared to the winter and spring months. As a result, Corby's earnings from operations in the first quarter and last quarter of each fiscal year tend to reflect the seasonal nature of the business cycle.

Key Performance Review

Corby's portfolio of owned brands continued to demonstrate strong growth as evidenced by an increase of 5.5 % in shipment volumes in fiscal 2005. In comparison, consumer retail purchases for the spirits market as a whole in Canada grew by less than 2% over the course of fiscal 2005, as indicated by market data provided by the Association of Canadian Distillers ("ACD").

Corby's key brands of Wiser's whiskies, Polar Ice vodka, and Lamb's rum continued to perform very well in the Canadian market, as evidenced by their collective growth rate of 9% in shipment volumes in fiscal 2005. These brands collectively represented almost 64% of the shipment volumes for the Company's owned brands in fiscal 2005 and their positive performance was the main driver behind the Company's growth. Furthermore, the brands continued to grow at a significantly faster pace than their respective categories, as evidenced by their performance at the retail store level.



KEY BRANDS	BRAND GROWTH RATE*	CATEGORY GROWTH RATE**	CATEGORY SHARE*** FISCAL 2005	CATEGORY SHARE*** FISCAL 2004
Wiser's Whiskies	8.2%	0.2%	16.1%	14.9%
Polar Ice Vodka	15.8%	4.2%	6.9%	6.2%
Lamb's Rum	0.9%	1.9%	17.2%	17.4%

** Refers to the growth in consumer retail purchases, as measured by case volumes provided by the ACD, of the brand in fiscal 2005 as compared to fiscal 2004.*
*** Refers to the growth in consumer retail purchases, as measured by case volumes provided by the ACD, for the relevant spirit category in fiscal 2005 as compared to fiscal 2004.*
**** Refers to the share of Corby's brand in relation to the relevant spirit category, as measured by case volumes provided by the ACD.*

Wiser's whiskies have continued to be a success story for Corby. While the rye whisky category is experiencing a lack of growth in consumer purchases, Wiser's whiskies have taken market share away from competing brands as a result of effective advertising and promotional expenditures in key markets and a loyal consumer base. Furthermore, the Wiser's Deluxe brand is benefiting from the trend among consumers to trade up to premium quality spirit products at the expense of economy brands, in addition to strong growth in the export market. Shipments of Wiser's whiskies within Canada were almost 591,000 cases in fiscal 2005 and the Wiser's family has become the largest selling brand of rye whisky in the Canadian market, as measured by case volumes.

The success of Polar Ice vodka can be partially attributed to the strong growth of the vodka category in Canada. Vodka has been one of the fastest growing spirit categories in recent years, due to the trend towards martinis and other forms of cocktail drinks. However, the growth of Polar Ice vodka has exceeded the category growth rates on a consistent basis and, in a short period of time, it has become one of the leading premium vodka brands in the Canadian market. This can be attributed to its award-winning quality and design, in addition to effective retail programming.

From a geographical perspective, the growth in shipment volumes was led by the Company's major markets of Ontario, British Columbia and Alberta, which combined for a 6% increase in shipment volumes in fiscal 2005. Corby was successful in growing its key brands in these markets, which collectively accounted for over 64% of shipment volumes of the Company's owned brands in fiscal 2005. Strong relationships with Corby's main customers, the provincial liquor boards, allowed the Company to execute targeted advertising and promotional opportunities in order to help drive volume and profit growth. Of particular note, Corby was recognized by its largest customer, the Liquor Control Board of Ontario ("LCBO"), as its "Supplier of the Year". This award was in recognition of Corby's efforts in working as a partner with the LCBO.

Balance Sheet Review

Working capital was $103.2 million as at August 31, 2005 compared with $84.2 million as at August 31, 2004. The increase in working capital was mainly the result of a $16.2 million increase in the Company's cash position and a $2.8 million decrease in accounts payable. A $2.1 million increase in accounts receivable was offset by a decrease of $2.2 million in inventories.

The increase in accounts receivable and decrease in inventories reflects higher sales in August 2005 compared with the corresponding period last year. The decrease in accounts payable reflects the timing of accounts payable processing and wire transfer payments.

The loan from an affiliated company represents a financing debt instrument from Allied Domecq PLC. The loan to an affiliated company represents an investment in the form of an interest bearing debt instrument to Allied Domecq USA, an operating subsidiary of Allied Domecq PLC. The loan from Allied Domecq PLC is without recourse and is secured by the capital of Allied Domecq USA. Both of the loans mature on October 26, 2005 and as a result, they have been classified as current assets and liabilities. Please refer to the ""Risks and Outlook" section for further details on the potential impact arising from the settlement of these loans.

The loan from an affiliated company bears interest at 7.66% and interest expense for the year ended August 31, 2005 was $11.7 million. The loan to an affiliated company bears interest at 7.91% and interest income for the year ended August 31, 2005 was $12.1 million.

Cash Flow Review

Corby's operating activities contributed $28.4 million to cash in fiscal 2005 compared with $36.2 million for the corresponding period last year. The decrease in cash flows from operating activities was the result of several factors, including $1.9 million and $1.8 million cash payments to fund Corby's Supplementary Executive Retirement Plan ("SERP") and SARs plan, respectively. The payment for the SARs plan was the result of the change in control of the Company as part of Pernod's acquisition of Allied Domecq. In accordance with the provisions of the plan, the value of all of the outstanding SARs were immediately vested and paid upon the change in control of the Company. Please refer to the "Liquidity and Funding Requirements" section of this MD&A for further details on the Company's funding plan for the SERP.

Furthermore, the timing of accounts payable processing, wire transfers, and interest payments for the Company's financing debt instruments contributed to the decrease in cash flows from operations in fiscal 2005 versus fiscal 2004.

The increase in cash flows from investment activities is due to an increase of $1.2 million in the dividend received from TMG. Cash flows used in financing activities were $14.6 million and $14.1 million for the years ended August 31, 2005 and August 31, 2004, respectively. The cash flows used in financing activities were mainly for the payment of the Company's quarterly dividend, partially offset by proceeds received from the exercise of stock options. The ordinary quarterly dividend is currently $0.55 per share.

Liquidity and Funding Requirements

Corby's $50 million committed debt facility expired on March 20, 2005 and the Company decided that it need not be renewed. Corby continues to generate strong cash flows from operations and it is expected that the Company will be able to meet all funding and working capital requirements that are expected to arise within the normal course of business. Since the Company's debt financing instrument from Allied Domecq PLC matures at the same time as the interest bearing debt instrument to Allied Domecq USA, it is not anticipated that that the settlement of these loans will have an impact on the Company's working capital position.

While demographic and financial market dynamics in recent years have increased the cost of providing pensions and other post-retirement benefits, the Company is committed to making any required contributions to ensure that it meets its obligations. Specifically, Corby intends to fund its employee pension benefit plans, including the SERP, as required. The funding plan resulted in a cash payment of approximately $1.9 million during the year ended August 31, 2005. Funding contributions for Corby's employee pension plans and SERP for the next five years are expected to be as follows:

FISCAL YEAR	(in millions of dollars)
2006	$ 4.1
2007	3.2
2008	3.2
2009	1.9
2010	–
	$ 12.4

As at August 31, 2005, Corby is committed to future minimum payments under operating leases for premises and office equipment for the next five years and thereafter as follows:

FISCAL YEAR	(in millions of dollars)
2006	$ 1.0
2007	0.9
2008	0.7
2009	0.3
2010	0.1
THEREAFTER	0.1
	$ 3.1

OUTSTANDING SHARE DATA

As at August 31, 2005, Corby had 6,068,580 Voting Class A common shares, 1,034,984 Non-Voting Class B common shares, and 13,650 Non-Voting Class B common share options outstanding. As at August 31, 2005, all of the Non-Voting Class B common share options were exercisable

RELATED PARTY TRANSACTIONS

Allied Domecq was Corby's ultimate parent company until July 26, 2005, subsequent to which Pernod became Corby's ultimate parent by way of the PR Acquisition. The term ""Pernod" in this section of the MD&A shall mean Allied Domecq up until the date of July 26, 2005 and Pernod from July 27, 2005 onwards.

Hiram Walker & Sons Limited, an indirectly wholly-owned subsidiary of Pernod, owns in excess of 50% of the issued voting common shares of Corby and is thereby considered to be the Company's parent. Pernod is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of Pernod.

Corby engages in a significant amount of transactions with its parent company, its ultimate parent, and affiliates. Specifically, Corby renders services to its parent company, its ultimate parent, and affiliates for the purposes of marketing and sale of beverage alcohol products in Canada. Furthermore, Corby sub-contracts the large majority of its distilling, blending, bottling, storing, and production activities to its parent company. A significant portion of Corby's bookkeeping, record keeping services, data processing and other administrative services are also outsourced to its parent company.

All of the transactions, which are settled the following month, are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Virtually all of the transactions are covered under the terms of agreements, which may be terminated upon six months notice. These agreements also included a non-competition clause whereby Corby ceded its rights to sell beverage alcohol in bulk in favour of its parent company.

For further details on the nature and financial impact of these related party transactions, please refer to Note 2 of Corby's audited consolidated financial statements for the year ended August 31, 2005.

ACCOUNTING MATTERS

TIA MARIA GROUP

Allied Domecq was Corby's ultimate parent company until July 26, 2005, subsequent to which Pernod became Corby's ultimate parent by way of the PR Acquisition. The term "Pernod" in this section of the MD&A shall mean Allied Domecq up until the date of July 26, 2005 and Pernod from July 27, 2005 onwards.

Corby accounts for its 45% ownership interest in Tia Maria Limited and Tia Maria International Limited, collectively referred to as the Tia Maria Group ("TMG"), by using the equity method of accounting and has done so since 1982. Pernod, which owns the remaining 55% of TMG, also owns the majority of the voting shares of Corby through its subsidiary, Hiram Walker & Sons Limited. As a result of the ownership structure, the nature of Corby's investment in TMG is as follows:

- Pernod controls the operational, strategic and investment decisions regarding the TMG business (which encompasses both the Tia Maria and Tia Lusso brands);
- Pernod is responsible for the accounting and record keeping for TMG. Pernod reports TMG's financial information on a quarterly and annual basis to Corby so that Corby may calculate and account for its investment in TMG on the equity accounting basis;
- Pernod generates this financial information and is responsible for the internal controls within TMG necessary to do so; and,
- As the recipient of financial information of TMG from Pernod, Corby is not in a position to attest to the accuracy or reliability of the quarterly and annual TMG financial statements or of the internal controls used within TMG. However, Corby does engage in ongoing dialogue with Pernod in order to obtain a commercial understanding of the reported financial results of TMG and to comment on the TMG business, as reported by Pernod, within the financial statements and MD&A of Corby.

RECENT ACCOUNTING PRONOUNCEMENT

The Canadian Institute of Chartered Accountants ("CICA") has issued the following pronouncement, which will become effective for the year ended June 30, 2006:

In June 2005, the CICA issued Handbook Section 3831 "Non-Monetary Transactions" to revise and replace Handbook Section 3830 "Non-Monetary Transactions". Section 3831 requires all non-monetary transactions to be measured at fair value, subject to certain exceptions. The standard also requires that commercial substance will replace culmination of the earnings process as the test for fair value measurement. The standard defines commercial substance as a function of the cash flows expected from the assets. These revised standards are effective for non-monetary transactions initiated in fiscal periods beginning on or after January 1, 2006 and early adoption is permitted for fiscal periods beginning on or after July 1, 2005. Corby is currently evaluating the impact, if any, that the issuance of this recommendation may have on its consolidated financial statements

DISCLOSURE CONTROLS AND PROCEDURES

Corby's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness, as at August 31, 2005, of Corby's disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators) and has concluded that such disclosure controls and procedures are effective

RISKS & OUTLOOKS

As a result of recent changes to foreign tax legislation, Corby will not be renewing the debt financing instruments which mature on October 26, 2005. It is estimated that the structure of these loans have provided the Company with annual savings of approximately $4.1 million. As a result, Corby's income tax expense in fiscal 2006 is expected to increase

The impact of the PR Acquisition on Corby's operations remains uncertain as Pernod is currently in the process of evaluating their strategy for the Canadian marketplace, with the aid of external advisors. As previously mentioned, changes that have already resulted from the PR Acquisition are the loss of Corby's representation rights for most of the FB Brands.

It is expected that Pernod's review of their Canadian strategy will be completed within the next few months. The conclusions of this review may impact the agreements that currently exist between Corby and Pernod. As previously noted, Corby renders sales and marketing services to Pernod for the PR Brands in Canada. Furthermore, Corby sub-contracts the large majority of its distilling, blending, bottling, storing and production activities to Pernod. In addition, a significant portion of Corby's bookkeeping, record keeping services, data processing and other administrative services are also outsourced to Pernod.

Notwithstanding the above, it should be noted that approximately 80% of Corby's operating revenue is derived from brands that are owned by the Company. Furthermore, as evidenced by the strong performance of Corby's key brands in the Canadian market, opportunities exist to deliver on the Company's objective of profitable, organic growth with strong consistent cash flows. Corby intends to achieve this objective by remaining focused on identifying and executing on market opportunities and by directing targeted and effective advertising and promotion expenditures to support its key brands in Canada. Corby also intends to build upon the growth demonstrated by its key brands by streamlining operations and maximizing efficiencies throughout the organization.

Consolidated Statements of Earnings

FOR THE YEARS ENDED AUGUST 31, 2005 AND AUGUST 31, 2004
(in thousands of dollars, except per share amounts)

	2005	2004
OPERATING REVENUE		
Sales	$ 108,099	$ 102,006
Commissions	16,804	16,724
NET OPERATING REVENUE	124,903	118,730
OPERATING COSTS		
Cost of sales	49,745	47,180
Marketing, sales and administration	34,358	33,854
Amortization	818	824
TOTAL OPERATING COSTS	84,921	81,858
EARNINGS FROM OPERATIONS	39,982	[illegible]
Equity in net earnings of companies subject to significant influence	9,930	[illegible]
Interest income, net	1,601	800
EARNINGS BEFORE INCOME TAXES	51,513	42,797
Income Taxes (note 4)	11,621	10,311
NET EARNINGS	$ 39,892	$ 32,486
BASIC EARNINGS PER SHARE (NOTE 11)	$ 5.62	$ 4.59
FULLY DILUTED EARNINGS PER SHARE (NOTE 11)	$ 5.62	$ 4.58

Consolidated Statements of Retained Earnings

FOR THE YEARS ENDED AUGUST 31, 2005 AND AUGUST 31, 2004

	2005	2004
RETAINED EARNINGS – BEGINNING OF YEAR	$ 106,750	$ 88,428
Net earnings	39,892	32,486
	146,642	120,914
Dividends declared and paid	15,616	14,164
RETAINED EARNINGS – END OF YEAR	$ 131,026	$ 106,750

See accompanying notes to consolidated financial statements

Consolidated Cash Flow Statements

FOR THE YEARS ENDED AUGUST 31, 2005 AND AUGUST 31, 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 39,892	$ 32,486
Items not affecting cash:		
Amortization	818	824
Future income taxes (note 4)	412	(215)
Equity earnings from companies subject to significant influence	(9,930)	(5,125)
Employee future benefits, net of contributions made	(88)	1,425
Changes in non-cash working capital (note 5)	(2,735)	6,812
Cash flows from operating activities	28,369	36,207
[illegible]		
Dividends received from companies subject to significant influence	3,571	2,397
Additions to capital assets	(1,105)	(1,063)
Cash flows from investment activities	2,466	1,334
[illegible]		
Dividends paid	(15,616)	(14,164)
Proceeds on issuance of capital stock	1,018	75
Cash flows used in financing activities	(14,598)	(14,089)
[illegible]	16,237	23,45[illegible]
[illegible]	40,411	16,959
[illegible]	$ 56,648	$ 40,411

[illegible]y Cash Flow Information

	2005	2004
Income taxes paid	$ 11,305	$ 13,075
[illegible]terest paid	10,774	15,576
[illegible]lends received	3,571	2,397
Interest received	10,724	15,80[illegible]

See accompanying notes to consolidated financial statements

[illegible]ance Sheet

	2005	2004
Current Assets		
Cash	$ 56,648	$ 40,411
Accounts receivable	22,451	20,371
Interest receivable from affiliated company (note 6)	2,631	
Inventories, net (note 3)	37,893	40,100
Prepaid expenses	919	1,760
Loan to affiliated company (note 6)	149,160	
	269,720	102,645
Long-term investments	28,056	24,134
Capital assets (note 7)	7,198	6,911
Loan to affiliated company (note 6)	–	152,500
Employee future benefits (note 8)	3,756	4,602
Goodwill	4,476	4,476
	$ 313,188	295,268
Current Liabilities:		
Accounts payable and accrued liabilities	$ 12,361	$ 15,120
Interest payable to affiliated company (note 6)	1,184	-
Income and other taxes payable	3,791	3,291
Loan from affiliated company (note 6)	149,160	–
	166,496	18,411
Loan from affiliated company (note 6)	–	152,500
Employee future benefits (note 8)	2,735	3,669
Future income taxes (note 4)	1,225	813
	170,456	175,393
SHAREHOLDERS' EQUITY		
Share capital (note 9)	13,519	12,501
Retained earnings	131,026	106,750
Cumulative translation adjustments (note 12)	(1,813)	624
	142,732	119,875
	$ 313,188	$ 295,268

Commitments (note 14). Contingencies (note 16). Subsequent Events (note 18).
See accompanying notes to consolidated financial statements.
Signed on behalf of the Board.

George F. McCarthy
Director

Robert L. Llewellyn
Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED AUGUST 31, 2005 AND AUGUST 31, 2004
(In thousands of Canadian dollars, except share amounts)

note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corby Distilleries Limited (the "Corporation") accounting policies conform with accounting principles generally accepted in Canada and are summarized below:

Consolidation

The consolidated financial statements include the accounts of all subsidiaries. All inter-company transactions have been eliminated. The Corporation's 45% investment in Tia Maria Limited and Tia Maria International, collectively referred to as the Tia Maria Group, is accounted for using the equity method and is presented as "Long Term Investments." Under this method, the original cost of the shares is adjusted for the Corporation's share of post-acquisition earnings or losses, less dividends, and foreign exchange translation. Pernod Ricard S. A., the Corporation's ultimate parent, owns the remaining 55% of the Tia Maria Group.

Revenue Recognition

Sales and commissions are recognized when title passes to the customer. The revenue is presented net of customer and consumer discounts and taxes.

Foreign Currency Translation

The Tia Maria Group, in which the Corporation has a long-term investment of a self-sustaining nature has the UK Pound Sterling as its functional currency and has its financial results translated to Canadian Dollars as follows: assets and liabilities at the exchange rates in effect at the balance sheet dates and the translation of revenues and expenses at the exchange rates prevailing on the transaction dates. Unrealized gains or losses on translation are shown as a separate component in shareholders' equity.

The monetary assets and liabilities of the Corporation which are denominated in foreign currencies are translated at exchange rates in effect at the balance sheet dates. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. All exchange gains or losses are recognized currently in earnings.

Inventories

Inventories are stated at average cost not exceeding net realizable value. Inventories include barreled whiskies which will remain in storage over a period of years, but which are classified as current assets as there is a market for barreled whiskies.

Capital Assets

Buildings and machinery and equipment are carried at cost, less accumulated amortization. Amortization is provided for on the straight-line basis over periods of one to twenty years depending on the nature of the asset. Half-year rates are applied to assets in the year of acquisition. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. The cost incurred in the maintenance of the service potential of a capital asset is a repair, not a betterment. If a cost has the attributes of both a repair and a betterment, the portion considered to be a betterment is included in the cost of the asset.

Goodwill

Goodwill represents the excess of acquisition costs over amounts assigned to net identifiable assets of companies acquired. The Corporation recognizes goodwill on its balance sheet, less any write down for impairment. Goodwill is not amortized, but is tested for impairment on an annual basis. Impairment tests are performed on an annual basis and no impairment has been recognized.

Stock Based Compensation Plans

The Corporation accounts for awards of stock based compensation using the fair value method for all awards subsequent to September 1, 2002 that will be settled by the issuance of shares. Awards of stock based compensation prior to that date continue to be accounted for using the settlement basis. There have been no such awards of stock based compensation subsequent to September 1, 2002.

Stock based compensation that will be settled in cash is accounted for using intrinsic value method. Compensation expense is recorded for the plan to the extent which the market closing price of the Corby Class A common shares exceed the grant price of the share appreciation rights. Compensation expense is also recorded for the dividends that accrue for unvested share appreciation rights in accordance with the provisions of the plan.

Employee Future Benefits

The Corporation accrues its obligations under employee benefit plans and its related costs, net of plan assets and recognizes the cost of retirement benefits and certain post-employment benefits over the periods in which employees render services to the Corporation in return for the benefits. Other post-employment benefits are recognized when the event that obligates the entity occurs. The Corporation has the following policies:

a) The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs.

b) For the purpose of calculating the expected return on plan assets, those assets are valued at fair values.

c) Past service costs from plan amendments and the transitional asset resulting from the application of CICA Handbook Section 3461 are amortized on a straight-line basis over the average remaining service period of active members expected to receive benefits under the plan.

d) Net actuarial gains or losses are amortized based on the corridor method. Under the corridor method, cumulative gains and losses in excess of 10% of the greater of the accrued benefit obligation and the market value of plan assets are amortized over the average remaining service period of active members expected to receive benefits under the plan.

e) The measurement date of the plans' assets and obligations is August 31, 2005.

Earnings Per Share

In the computation of diluted earnings per share, the Corporation is required to use the "treasury stock method". Under the treasury stock method, the denominator used in the computation of basic earnings per share should be increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued.

Income Taxes

The Corporation accounts for income taxes under the asset and liability method, whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is included in income in the period in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more than likely not to be realized.

Measurement Uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Estimates are used when accounting for items and matters such as allowance for uncollectible accounts receivable, inventory obsolescence, amortization, capital asset impairment, employee future benefits, income taxes, accruals and contingencies.

note 2. RELATED PARTY TRANSACTIONS

Allied Domecq PLC was Corby's ultimate parent company until July 26, 2005, subsequent to which Pernod Ricard S.A. became Corby's ultimate parent by way of their acquisition of Allied Domecq PLC. The term "Pernod Ricard" in this note shall mean Allied Domecq PLC up until the date of July 26, 2005 and Pernod Ricard S.A. from July 27, 2005 onwards.

Hiram Walker & Sons Limited, a wholly owned subsidiary of Pernod Ricard, owns in excess of 50% of the issued voting common shares of Corby and is thereby considered to be the Company's parent. Pernod Ricard is considered to be Corby's ultimate parent and affiliated companies are those that are also subsidiaries of Pernod Ricard. In addition to the information provided in Note 6, transactions and balances with parent and affiliated companies include the following:

(in thousands of dollars) NATURE OF TRANSACTION	NATURE OF RELATIONSHIP	FINANCIAL STATEMENT CATEGORY	AMOUNT OF THE TRANSACTIONS 2005	2004
I The Corporation renders blending and bottling services	Parent company	Sales, accounts receivable	$ 988	$ 943
II The Corporation sells certain of its products for resale at an export level	Affiliated companies	Sales, accounts receivable	$ 57	$ 56
III The Corporation renders services, as the sole and exclusive representative for purposes of marketing and sales of beverage alcohol products in Canada	Parent company, companies subject to significant influence, ultimate parent company and affiliated companies	Commissions, accounts receivable	$ 11,149	$ 11,400
IV The Corporation sub-contracts virtually all of its distilling, blending, bottling, storing and production activities	Parent company	Cost of sales/ inventories	$ 16,656	$ 14,281
V The Corporation sub-contracts an important portion of its bookkeeping, record keeping services, certain administrative services, related data processing and maintenance of data processing activities	Parent company	Marketing, sales and administration	$ 2,304	$ 2,268
VI The Corporation purchases some of the inventory used in production activities	Parent company	Cost of sales/ inventories	$ 1,885	$ 2,327

These transactions, which are settled the following month, are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Transactions in sections III, IV and V above are covered under the terms of agreements with related parties that may be terminated upon six months notice. These agreements include a non-competition clause whereby the Corporation ceded its rights to sell beverage alcohol in bulk in favour of its parent company.

Balances

As at August 31 (in thousands of dollars)	2005	2004
Amounts included in accounts receivable	$ 2,795	$ 1,729
Affiliated companies, parent, ultimate parent	$ 2,795	$ 1,729

note 3. INVENTORIES, NET

As at August 31 (in thousands of dollars)	2005	2004
Raw materials	$ 6,369	$ 7,003
Work-in-progress	24,180	26,067
Finished goods	7,344	7,030
Inventories, net*	$ 37,893	$ 40,100

*Net of inventory provisions of $397 and $600 as at August 31, 2005 and 2004 respectively

note 4. INCOME TAXES

For the years ended August 31 (in thousands of dollars)	2005	[illegible]
Current	$ 11,209	[illegible]
Future	412	[illegible]
	$ 11,621	[illegible]

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities are presented below:

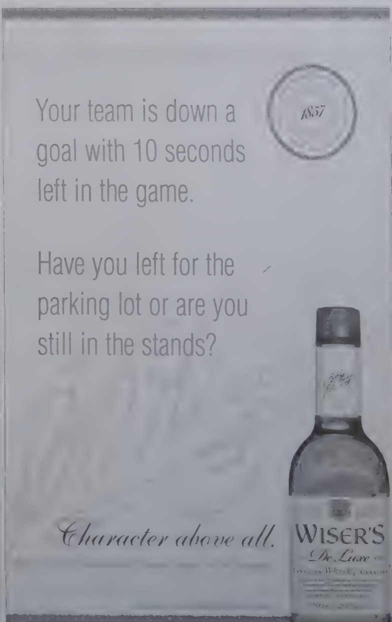
For the years ended August 31 (in thousands of dollars)	2005	2004
Future tax assets:		
Investment in affiliated companies	$ 790	$ –
Other	42	–
Valuation allowance	(630)	–
	$ 202	$ –
Future tax liabilities:		
Employee future benefits	$ (381)	$ (543)
Capital assets	(452)	(208)
Loan to affiliated companies	(594)	
Other	–	(62)
	$ (1,427)	$ (813)

The effective tax rates of 23% for the year ended August 31, 2005 and 24% for the year ended August 31, 2004 differ from the basic Federal and Provincial rates due to the following:

For the years ended August 31	2005	2004
Combined basic Federal and Provincial tax rates	35%	36%
Equity in net earnings of companies subject to significant influence	(7%)	(5%)
Income not subject to tax	(7%)	(9%)
Other	2%	2%
	23%	24%

note 5. CHANGES IN NON-CASH WORKING CAPITAL

For the years ended August 31 (in thousands of dollars)	2005	2004
(Increase) decrease in:		
Accounts receivable	$ (2,077)	$ [illegible]
Interest receivable from affiliated company	(2,631)	2,901
Inventories, net	2,207	2,143
Prepaid expenses	841	[illegible]
Increase (decrease) in:		
Accounts payable and accrued liabilities	(2,759)	3,939
Interest payable to affiliated company	1,184	(3,371)
Income and other taxes payable	500	(2,286)
Decrease (increase) in non-cash working capital	$ (2,735)	$ [illegible]



note 6. LOAN TO/FROM AFFILIATED COMPANY

The loan from an affiliated company represents a debt instrument from Allied Domecq PLC. The loan to an affiliated company represents an investment in the form of an interest bearing debt instrument to Allied Domecq USA, an operating subsidiary of Allied Domecq PLC.

The amount due to affiliated company bears interest at 7.66%, matures in October 2005, is without recourse and is secured by the capital of Allied Domecq USA. Interest expense for the year was $11,706 (2004 - $11,911). The amount due from affiliated company bears interest at 7.91%, matures in October 2005 and income for the year was $12,088 (2004 - $12,300).

note 7. CAPITAL ASSETS

(As at August 31, in thousands of dollars)	2005 COST	2005 ACCUMULATED AMORTIZATION	2005 NET BOOK VALUE	2004 COST	2004 ACCUMULATED AMORTIZATION	2004 NET BOOK VALUE
Land	$ 638	$ –	$ 638	$ 638	$ -	$ 638
Buildings	5,733	4,132	1,601	5,726	4,027	1,699
Machinery and equipment	14,989	10,030	4,959	13,891	9,317	4,574
	$ 21,360	$ 14,162	$ 7,198	$ 20,255	$ 13,344	$ 6,911

note 8. EMPLOYEE FUTURE BENEFITS

The Corporation has two defined benefit plans for executives and salaried employees. Benefits under these plans are based on years of service and compensation levels.

	PENSION BENEFIT PLAN SALARIED AND EXECUTIVE	PENSION BENEFIT PLAN SERP	OTHER BENEFIT PLAN	TOTAL FUTURE BENEFIT PLANS
CHANGE IN BENEFIT OBLIGATION:				
Balance - September 1, 2004	$ 35,530	$ 4,863	$ 9,595	$ 49,988
Current service cost (employer)	657	181	186	1,024
Interest cost	2,071	291	568	2,930
Employee contributions	128	-	-	128
Benefits paid	(2,879)	(222)	(557)	(3,658)
Actuarial loss	5,107	954	1,346	7,407
Balance-August 31, 2005	40,614	6,067	11,138	57,819
[illegible]				
Balance - September 1, 2004	32,165	1,603	–	33,768
Actual return on plan assets	3,761	139	–	3,900
Employer contributions	–	2,061	557	2,618
Employee contributions	128	-	-	128
Benefits paid	(2,879)	(222)	(557)	(3,658)
Special termination benefits (adjustment to expected surplus distribution)	186	–	–	186
Actual plan expenses	(538)	(22)	–	(560)
Balance-August 31, 2005	32,823	3,559	–	36,382
[illegible] STATUS:				
Funded Status: Deficit	(7,791)	(2,508)	(11,138)	(21,437)
Unamortized net transition obligation (asset)	(3,573)	161	5,227	1,815
Unamortized past service costs	1,057	36	–	1,093
Unamortized net actuarial loss	14,063	1,920	3,567	19,550
Accrued benefit asset (liability)	$ 3,756	$ (391)	$ (2,344)	$ 1,021
[illegible]				
Current service cost (including provision for plan expenses)	898	181	186	1,265
Interest cost	2,071	291	568	2,930
Actual return on plan assets	(3,761)	(139)	–	(3,900)
Actuarial loss	5,108	954	1,346	7,408
Special termination benefits (adjustment to expected surplus distribution)	(186)	–	–	(186)
Costs arising in the period	4,130	1,287	2,100	7,517
Differences between costs arising in the period and costs recognized in respect of:				
Return on plan assets	1,514	56	–	1,570
Actuarial loss	(4,648)	(920)	(1,275)	(6,843)
Plan amendments	225	3	–	228
Transitional obligation (asset)	(349)	16	403	70
Net expense recognized in current year	$ 872	$ 442	$ 1,228	$ 2,542
[illegible]				
At beginning of period:				
Discount rate	6.00%	6.00%	6.00%	6.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Expected rate of return on plan assets	7.25%	7.25%	–	7.25%
At end of period:				
Discount rate	5.00%	5.00%	5.00%	5.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Health care trend rates:				
Initial weighted average health care trend rate	–	–	6.3%	6.3%
Ultimate weighted average health care trend rate	–	–	4.2%	4.2%
Year ultimate rate reached	–	–	2010	2010
PLAN ASSETS BY ASSET CATEGORY:				
Equity securities	54.3%	51.7%	–	54.0%
Debt securities	44.9%	–	–	40.7%
Refundable taxes at Canada Revenue Agency/other	0.8%	48.3%	–	5.3%
	100.0%	100.0%	-	100.0%

	PENSION BENEFIT PLAN SALARIED AND EXECUTIVE	PENSION BENEFIT PLAN SERP	OTHER BENEFIT PLAN	TOTAL FUTURE BENEFIT PLANS
CHANGE IN BENEFIT OBLIGATION:				
Balance - September 1, 2003	$ 33,408	$ 4,459	$ 8,983	$ 46,850
Current service cost (employer)	589	154	167	910
Interest cost	2,021	275	551	2,847
Employee contributions	96	–	–	96
Benefits paid	(2,651)	(264)	(660)	(3,575)
Actuarial loss	2,067	239	554	2,860
Balance - August 31, 2004	35,530	4,863	9,595	49,988
CHANGE IN PLAN ASSETS:				
Balance - September 1, 2003	33,060	1,543	–	34,603
Actual return on plan assets	2,122	77	–	2,199
Employer contributions	–	264	660	924
Employee contributions	96	–	–	96
Benefits paid	(2,651)	(264)	(660)	(3,575)
Actual plan expenses	(462)	(17)	–	(479)
Balance - August 31, 2004	32,165	1,603	–	33,768
RECONCILIATION OF FUNDED STATUS:				
Funded Status: Deficit	(3,365)	(3,260)	(9,595)	(16,220)
Unamortized net transition obligation (asset)	(3,922)	177	5,630	1,885
Unamortized past service costs	1,272	38	–	1,310
Unamortized net actuarial loss	10,617	1,035	2,306	13,958
Accrued benefit asset (liability)	$ 4,602	$ (2,010)	$ (1,659)	$ 933
COMPONENTS OF EXPENSE:				
Current service cost (including provision for plan expenses)	837	154	167	1,158
Interest cost	2,021	275	551	2,847
Actual return on plan assets	(2,122)	(77)	–	(2,199)
Actuarial loss	2,066	239	554	2,859
Costs arising in the period	2,802	591	1,272	4,665
Differences between costs arising in the period and costs recognized in respect of:				
Return on plan assets	(175)	(2)	–	(177)
Actuarial loss	(1,739)	(217)	(506)	(2,462)
Plan amendments	254	3	–	257
Transitional obligation (asset)	(349)	16	403	70
Net expense recognized in current year	$ 793	$ 391	$ 1,169	$ 2,353
ASSUMPTIONS:				
At beginning of period:				
Discount rate	6.25%	6.25%	6.25%	6.25%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Expected rate of return on plan assets	7.25%	7.25%	–	7.25%
At end of period:				
Discount rate	6.00%	6.00%	6.00%	6.00%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
Health care trend rates:				
Initial weighted average health care trend rate	–	–	6.8%	6.8%
Ultimate weighted average health care trend rate	–	–	4.2%	4.2%
Year ultimate rate reached	–	–	2010	2010
PLAN ASSETS BY ASSET CATEGORY:				
Equity securities	53.7%	52.2%	–	53.6%
Debt securities	45.6%	–	–	43.4%
Refundable taxes at Canada Revenue Agency/Other	0.7%	47.8%	–	3.0%
	100.0%	100.0%	–	100.0%

SENSITIVITY TO CHANGE IN HEALTH CARE COST TREND RATES:

	ACCRUED BENEFIT OBLIGATION 2005	SERVICE COST 2005	INTEREST COST 2005	AGGREGATE OF SERVICE COST AND INTEREST COSTS 2005
Valuation Trend	11,138	186	568	754
Valuation Trend +1%	12,209	232	626	858
Difference (Valuation Trend +1% less valuation Trend)	1,071	46	58	104
Valuation Trend -1%	10,244	152	520	672
Difference (Valuation Trend -1% less valuation Trend)	(894)	(34)	(48)	(82)

note 9. SHARE CAPITAL

(As at August 31, in thousands of dollars, except share amounts)	2005	2004
Number of shares authorized:		
Voting Class A Common Shares – no par value	UNLIMITED	UNLIMITED
Non-Voting Class B Common Shares – no par value	UNLIMITED	UNLIMITED
Number of shares issued and fully paid:		
Voting Class A Common Shares	6,068,580	6,068,580
Non-Voting Class B Common Shares – beginning of year	1,013,984	1,012,572
Non-Voting Class B Common Shares – issued during the year	21,000	1,550
Non-Voting Class B Common Shares – cancelled during the year	–	(138)
Non-Voting Class B Common Shares – end of year	1,034,984	1,013,984
	7,103,564	[illegible]
	$ 13,519	[illegible]

In prior years, the Corporation established a Non-Voting Class B Common Share Option Plan and set aside 200,000 Non-Voting Class B Common Shares. Through the Share Option Plan, options were granted to certain officers and employees for the purchase of Non-Voting Class B Common Shares. Options were granted at prices equal to the closing market value on the last trading day prior to the grant and are exercisable from six to nine years from the date of vesting. Options vest from one to four years after the grant date. During the year, 21,000 options were exercised for total proceeds of approximately $1,018. The last options granted through the Share Option Plan were granted on October 23, 2000.

A summary of the status of the Share Option Plan and changes during the year is presented below:

As at August 31	OPTIONS 2005	WEIGHTED AVERAGE EXERCISE PRICE 2005	OPTIONS 2004	WEIGHTED AVERAGE EXERCISE PRICE 2004
Outstanding, beginning of year	35,175	$ 52.20	36,725	$ 52.03
Exercised through the purchase option	(21,000)	48.45	(1,550)	48.28
Cancelled	(525)	65.36	–	–
Outstanding, end of year	13,650	$ 57.46	35,175	$ 52.20

As at August 31, 2005	TOTAL NUMBER EXERCISABLE & OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (IN YEARS)	WEIGHTED AVERAGE EXERCISE PRICE
Range of exercise prices			
$49.75	7,550	6.0	$ 49.75
$67.00	6,100	4.0	$ 67.00
Total	13,650	5.1	$ 57.46

note 10. SHARE APPRECIATION RIGHTS PLAN

In October 2002, the Corporation established a Share Appreciation Rights Plan. Through this Plan, share appreciation rights ("SAR") are granted to certain officers and employees of the Corporation at a grant price equal to the market closing price of the Corporation's Class A common shares seven days after the date of grant. SARs generally vest from two to four years after the date of grant. On the date of vesting, the SAR is deemed to have been automatically exercised and the holder is entitled to receive a cash payment equal to the difference between the grant price and the market closing price of the Corporation's Class A common shares. If the closing market price of the Class A common shares on the date of vesting is less than or equal to the grant price, the vested SAR immediately lapses and no payment is made. The holder of a SAR is also entitled to receive a cash payment equal to the total value of dividends earned on the SAR until the vesting date.

As a result of the change in control of the Corporation on July 26, 2005, the value of all the outstanding SARs became immediately vested. No SARs have been granted since that date. The compensation expense related to this plan for the year ended August 31, 2005 was $1,376 (2004-$455).

As at August 31	SHARE APPRECIATION RIGHTS 2005	WEIGHTED AVERAGE GRANT PRICE 2005	SHARE APPRECIATION RIGHTS 2004	WEIGHTED AVERAGE GRANT PRICE 2004
Outstanding, beginning of year	92,584	$ 60.65	55,697	$ 58.80
Granted	52,802	66.01	46,195	62.50
Vested	(143,284)	62.62	–	–
Cancelled	(2,102)	60.81	(9,308)	58.80
Outstanding, end of year	–	$ –	92,584	$ 60.65

note 11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

As at August 31 (in thousands of dollars, except share amounts)	2005	2004
Numerator:		
Net earnings	$ 39,892	$ 32,486
Denominator:		
Denominator for basic earnings per share– weighted average shares outstanding	7,095,431	7,081,896
Effect of stock options	8,047	12,720
Denominator for diluted earnings per share	7,103,478	7,094,616

note 12. CUMULATIVE TRANSLATION ADJUSTMENTS

For investments in self-sustaining operations, cumulative translation adjustments represent the unrealized gain or loss on the Corporation's net investment in foreign companies. These valuation adjustments are recognized in earnings only when there is a reduction in the Corporation's investment in the respective foreign companies.

As at August 31 (in thousands of dollars)	2005	2004
Balance – beginning of year	$ 624	$ (1,027)
Translation adjustment of long-term investments	(2,437)	1,651
Balance – end of year	$ (1,813)	$ 624

note 13. FINANCIAL INSTRUMENTS

Credit Risk

The Corporation's accounts receivable are substantially with provincial liquor boards, which significantly reduces credit risk.

Fair Values

The financial instruments used by the Corporation are limited to short-term financial assets and liabilities and loans to and from affiliates. Short-term financial assets comprise of cash, accounts receivable, and interest receivable. Short-term financial liabilities comprise of accounts payable,

accrued liabilities, and interest payable. The carrying amounts of these short-term assets, liabilities, and loans to and from affiliates are a reasonable estimate of the fair values, given the short-term maturity of those instruments.

note 14. COMMITMENTS

Future minimum payments under operating leases for premises and equipment for the next five years and thereafter are as follows:

As at August 31 (in thousands of dollars)	2005
2006	$ 985
2007	924
2008	757
2009	281
2010	122
Thereafter	75
	$ 3,144

Funding contributions for the Corporation's employee future benefits plans for the next five years are expected to be as follows:

As at August 31 (in thousands of dollars)	2005
2006	$ 4,100
2007	3,200
2008	3,200
2009	1,900
2010	–
Thereafter	–
	$ 12,400

note 15. OTHER INFORMATION

For the year ended August 31, 2005 and the year ended August 31, 2004, the Corporation's net revenue and identifiable assets are all attributable to its domestic Canadian operations. Export sales account for less than 10% of net operating revenue. The Corporation's equity in net earnings of companies subject to significant influence is derived principally from European based operations.

In 2005, sales to three major customers accounted for 35%, 14% and 12%, respectively, of net operating revenue (2004 - 35%, 14% and 12%).

note 16. CONTINGENCIES

The Corporation is contingently liable with respect to pending litigation and claims arising in the normal course of business. Although the ultimate outcome of these matters is not presently determinable, at this point in time management believes that the resolution of all such pending matters will not have a material adverse effect on the Corporation's financial position or results of operations.

note 17. COMPARATIVE FIGURES

Certain 2004 figures have been reclassified to conform to the financial statement presentation adopted in 2005.

note 18. SUBSEQUENT EVENTS

In accordance with the terms of a notice dated August 22, 2005, the Corporation ceased to represent certain brands as of September 30, 2005. These brands, which contributed approximately $5.1 million in commission income in fiscal 2005, were provided for under agreements that are described in Note 2 of the Corporation's consolidated financial statements. Under such agreements, the Corporation was entitled to six months notice, or, alternatively, payment of an amount equal to the commissions that the Corporation would have earned during such notice period. As a result the Corporation continued to earn commission income on these brands until September 30, 2005 and then received a payment in the amount of $1.9 million as payment for the commissions that Corby would have earned during the period from October 1, 2005 until February 23, 2006. The revenue impact of the $1.9 million lump sum payment will be reflected in the results of the Corporation's first interim period of fiscal 2006.

Subsequently, the Corporation reached an agreement with Fortune Brands Inc. to represent three of the brands included in the notice dated August 22, 2005. The representation agreement for these brands contains similar commercial terms as the prior agreement with Allied Domecq PLC. Corby earned approximately $0.7 million in commission income from these brands during the year ended August 31, 2005.

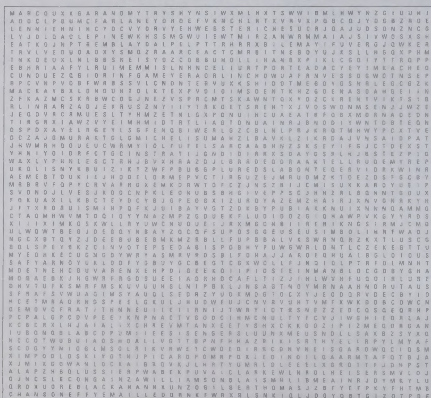
In order to align the Corporation's financial reporting calendar with that of its ultimate parent, Pernod Ricard S.A., the Corporation is changing its fiscal year end from August 31 to June 30, going forward. Therefore, Corby will report its fiscal 2006 results based on the following fiscal timeline:
First Interim Period: Four months ending December 31, 2005
Second Interim Period: Seven months ending March 31, 2005
Year End: Ten months ending June 30, 2006

TEN YEAR REVIEW

	Year ended August 31									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
RESULTS (IN MILLIONS OF DOLLARS)										
Gross operating revenue	**124.9**	118.7	108.9	101.8	101.2	93.4	101.1	97.2	92.1	84.5
Earnings from operations	**40.0**	36.9	35.5	30.7	32.9	29.1	30.1	30.1	32.4	30.4
Earnings before extraordinary item excluding after-tax restructuring costs	**39.9**	32.5	29.8	25.1	28.5	21.2	25.7	30.5	29.2	26.7
Net earnings	**39.9**	32.5	28.4	25.1	28.5	20.4	22.8	27.8	28.5	26.7
Cash provided from operations	**28.4**	36.2	39.0	23.2	24.4	21.8	17.2	32.0	21.3	22.4
YEAR END POSITION (IN MILLIONS OF DOLLARS)										
Working capital	**103.2**	84.2	68.1	60.7	58.2	62.2	64.0	62.8	92.1	90.4
Total assets	**313.2**	295.3	277.0	261.9	254.8	94.2	107.4	101.7	161.9	144.1
Long-term debt	**–**	–	–	8.0	18.0	31.0	39.0	43.0	–	–
Shareholders' equity	**142.7**	119.9	99.8	86.5	72.9	57.3	53.1	44.8	144.6	128.7
PER COMMON SHARE (IN DOLLARS)										
Net earnings before extraordinary item excluding after-tax restructuring costs	**5.62**	4.59	4.21	3.57	4.06	3.02	3.67	4.37	4.16	3.77
Net earnings	**5.62**	4.59	4.02	3.57	4.06	2.91	3.25	3.98	4.06	3.77
Cash provided from operations	**4.00**	5.11	5.52	3.30	3.46	3.10	2.45	4.59	3.03	3.17
Shareholders' equity	**20.12**	16.93	14.10	12.24	10.37	8.16	7.58	6.41	20.76	18.20
Special dividend paid	**–**	–	–	–	–	–	–	16.50	–	-
Dividends paid	**2.20**	2.00	2.00	2.00	2.00	2.00	2.00	1.70	1.28	1.24
MARKET VALUE PER VOTING COMMON SHARE (IN DOLLARS)										
High	**81.85**	70.00	64.50	70.00	67.50	84.00	88.00	76.50	58.00	46.00
Low	**63.25**	57.75	50.90	56.00	45.10	44.50	67.00	54.75	40.75	37.75
Close at end of year	**72.50**	66.00	58.75	60.16	64.05	49.80	70.00	73.00	55.00	43.00
OTHER STATISTICS										
Working capital ratio	**1.6**	5.6	4.5	6.8	7.1	16.7	5.3	6.1	7.1	7.8
Pre-tax return on average capital employed	**38.8**	38.6	37.9	34.8	40.4	34.9	38.6	34.3	31.6	33.6
Earnings from operations as a % of gross revenue	**32.0**	31.1	32.6	30.2	32.5	31.2	29.8	31.0	35.2	36.0
Return on average shareholders' equity	**30.2**	29.5	30.5	31.5	43.8	37.0	46.5	29.3	20.9	22.3
Number of shareholders	**684**	716	762	785	813	855	891	933	985	1,068
Number of shares outstanding (000's)	**7,095**	7,083	7,081	7,067	7,035	7,020	7,006	6,989	6,966	7,071
SEGMENTED INFORMATION (IN MILLIONS OF DOLLARS)										
Gross operating revenue from Canadian operations	**124.9**	118.7	108.9	101.8	101.2	93.4	101.1	97.2	92.1	84.5
Pre-tax earnings from Canadian operations	**41.6**	37.7	35.9	30.7	32.9	29.1	30.1	30.0	34.2	33.3
Net earnings before extraordinary item:										
Canadian operations	**30.0**	27.4	27.0	22.8	23.3	15.4	15.8	20.9	19.3	19.2
Foreign operations	**9.9**	5.1	1.4	2.3	5.2	5.0	7.0	6.9	9.2	7.5

CORBY WISHES TO THANK ALL OF OUR PEOPLE FOR MAKING 2005 SUCH A SUCCESSFUL YEAR!

Alexander, Andrew
Armistead, Michael
Beaudin, Nathalie
Beaudin, Sylvie
Bennett, Laurie
Black, Jason
Blain, Bruno
Blais, Jean-pierre
Borghese, Tim
Bowditch, George
Boyd, Fay
Brisebois, Daniel
Brown, Ryan
Bruneau, Sebastien
Buchanan, Ian
Buckley, Kathy
Bui, Phong
Buist, Suzanne
Burch, Simon
Burrowes, Kyle
Calabrese, Angie
Calautti, Louis
Carriere, Robert
Castonguay, Marc
Ceccucci, Bernandino
Chebli, Badri
Chow, Farrel
Clarke, Bob
Cloutier, Marlene
Commanda, Miriam
Corcoran, Andrew
Costello, Michael
Cristiano, Gerry
Cruikshank, Mark
Cseh, Krisztina
Czornyj, George
Dacosta, Roy
Davidson, Alexandre
Delorme, Josee
Denis, Eric
Derksen, Sandra
Devitt, Kirsten
Dicesare, Gus
Dmytryshyn, Rick
Drolet, John
Duquette, Martin
Egan, Robert
Estephan, David
Fioramore, Nicolas
Fleischhaker, Valerie
Forrest, Scott
Fortin, Mathieu
Fortin, Michel
Fournier, Annie
Gainza, Marizull
Gandhi, Sunil
Garand, Alain
Gilbert, Christine
Girard, Robert
Girard, Eric
Giroux, Sebastien
Gowanlock, Mark
Grant, John
Gravel, Joanna
Gray, Robert
Gustafson, Ken
Hajjar, Raymond
Hanson, Kevin
Hewitt, Donald
Hilgendorf, Jodi
Ho, Jaime
Hoeg, Krystyna
Hollihan, Richard
Hopkins, Bruce
Houthoofd, Nikolas
Houthoofd, Remy
Hubbard, Ashley
Hurrel, Gerry
Hutchinson-Harris, Michelle
Judson, Ron
Kaczmarek, Rick
Kahan, Bruce
Kelly, Trent
Kirke, Howard
Kolisnyk, Lana
Krebes, Doug
Labonte, Marc
Lacharite, Luc
Laverty, Franklin
Lavoie, Gabriel
Le Cong, Minh
Lebel, Rodrigue
Lefebvre, Cynthia
Legare, Diane
Lemay, Hubert
Lennie, Deborah
Leo, Tony
Lepine, Joe
Limoges, Patrice
Litke, Jody
Lumsden, Samarie
Lundberg, Daniel
Lussier, Benoit
Lytle, Mike
Mackay, Susan
Maille, Robert
Mair, Karina
Mallette, Jean-francois
Marcil, Daniel
Marcoux, Stephanie
Marotte, Claude
Marquis, Nancy
Mcfarlane, Brent
Mcfarlane, George
Mckenzie, Carol
Mcnulty, Mike
Mcphail, Michael
Mercer, Tracy
Meyer, Beverley
Michelis, Anastasia
Miller, Sandi
Milton, Ben
Minnella, Diana
Mirza, Ismat
Mokrane, Mehdi
Molnar, Steve
Mondo, Xavier Mukewo
Murad, Abdel
Neis, Isolde
Nguyen, Annie
Nicodemo, John
Organ, Connie
Pages, Roger
Papineau, Joanne
Patterson, Tracy
Paul, Andrew
Phaneuf, Michel
Phelps, Margo
Philip, Andrew
Picard, Francois
Pieper, Garth
Podloski, Myron
Price, Katharine
Pronovost, Marc
Pronovost, Serge
Quigg, James
Raine, Jeffery
Ralliford, Lavern
Redmond, Tracie
Reinhard, Johnny
Riches, Paul
Ripshtein, Jakob
Robinson, Terri
Robitaille, Elise
Rolheiser, Jan
Roy, Yvan
Ruggero, Carlo
Sauve, Luc
Senger, Valerie
Shortill, Tracy
Simboli, Fiorentino
Simpson, Dave
Sinclair, Nicholas
Sirmis, Laurie
Small, Derek
Smith, Adrienne
Smith, David
Steinman, Michael
Strati, Cathy
Sullivan, Alan
Sweet, Carol
Sykes, Janice
Tang, Bobby
Thomas, Derek
Thorne, Mark
Touchette, Jacques
Tremblay Dalpe, Eric
Underhill, William
Valencia, Marc
Villemaire, Nathalie
Vittori, Pierino
Vukic, Robert
Webster, Ewan
Willard, Larry
Williamson, Donna
Wilson, Sarra
Wolff, Shila
Zinberg, Steven



DIRECTORS & OFFICERS AND GENERAL INFORMATION

DIRECTORS

George F. McCarthy
Chairman of the Board
of the Corporation
(Year Elected 1993)

Michel Bord
Chairman and
Chief Executive Officer
Pernod Ricard North America
(Year Elected 2005)

Armando de Medeiros
President and
Chief Executive Officer
Pernod Ricard Canada
(Year Elected 2005)

Garth M. Girvan
Partner, McCarthy Tétrault LLP
Barristers and Solicitors
Toronto, Ontario
(Year Elected 1998)

Krystyna T. Hoeg
President and
Chief Executive Officer
of the Corporation
(Year Elected 1996)

Robert L. Llewellyn
Director of the Corporation
(Year Elected 1999)

John Nicodemo
Vice President, Finance,
and Chief Financial Officer
of the Corporation
(Year Elected 2000)

Patricia Nielsen
Chief Executive Officer,
Maxxam Analytics
International Corporation
Toronto, Ontario
(Year Elected 2000)

Frédéric Villain
Chief Financial Officer
Pernod Ricard North America
(Year Elected 2005)

OFFICERS

George F. McCarthy
Chairman of the Board

Krystyna T. Hoeg
President and
Chief Executive Officer

John Nicodemo
Vice President, Finance,
and Chief Financial Officer

Andrew Alexander
Vice President, Sales

Simon Burch
Vice President, Marketing

Howard Kirke
Vice President,
External Affairs

Ismat Mirza
Vice President,
Human Resources, and
Chief Privacy Officer

Marc Valencia
Vice President,
General Counsel and
Corporate Secretary

BOARD COMMITTEES

EXECUTIVE COMMITTEE
George F. McCarthy
(Chairperson)
Garth M. Girvan
Krystyna T. Hoeg

RETIREMENT COMMITTEE
Krystyna T. Hoeg
(Chairperson)
Robert L. Llewellyn
Ismat Mirza
John Nicodemo

AUDIT COMMITTEE
Robert L. Llewellyn
(Chairperson)
George F. McCarthy
Patricia Nielsen
Frédéric Villain

MANAGEMENT RESOURCES COMMITTEE
Garth M. Girvan
(Chairperson)
Michel Bord
Robert L. Llewellyn

INDEPENDENT COMMITTEE
Robert L. Llewellyn
(Chairperson)
Garth M. Girvan
George F. McCarthy
Patricia Nielsen

CORPORATE GOVERNANCE & NOMINATING COMMITTEE
Garth M. Girvan
(Chairperson)
Armando de Medeiros
John Nicodemo

GENERAL INFORMATION

Transfer Agent and Registrar
Computershare Trust
Company of Canada

Auditors
KPMG LLP

Bankers
Toronto Dominion Bank
Bank of Montreal

Solicitors
McCarthy Tétrault LLP

ANNUAL & GENERAL MEETING OF SHAREHOLDERS
Thursday, February 9, 2006
at eleven o'clock in
the forenoon,
Le Royal Meridien
King Edward Hotel
Vanity Fair Ball Room,
37 King Street East
Toronto, Ontario

OFFICES

Executive Office
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Registered Office
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Canada
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Distillery
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Tel: 902.450.5483

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Tel: 306.586.6546

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Edmonton, Alberta
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Richmond, British Columbia
V6V 3A1
Tel: 604.276.8121

FOR MORE INFORMATION
Corby Distilleries Limited
Krystyna T. Hoeg, President
and Chief Executive Officer
John Nicodemo
Vice President, Finance,
and Chief Financial Officer
Tel: 416.369.1859
www.Corby.ca

Ce rapport peut être obtenu
en français auprès de :
Les Distilleries Corby Limitée
193, rue Yonge
Toronto (Ontario) M5B 1M8
Tél. : 416.369.1859

DECODING THE CORBY CHARACTER

BROWN SPIRITS *Canadian Whiskies* 1878 Whisky, Hiram Walker Special Old, McGuiness Silk Tassel, Royal Reserve, Wiser's De Luxe, Wiser's Special Blend, Wiser's Very Old *Scotch & Irish Whiskies* Ballantine's, Glendronach, Laphroaig, Teacher's Highland Cream, Tullamore Dew *Brandy & Cognacs* Barclay's, Courvoisier VS, Courvoisier VSOP, Courvoisier XO, D'Eaubonne V.S.O.P. ***WHITE SPIRITS*** *Gins* Beefeater, Beefeater Lime, Beefeater Orange, De Kuyper Geneva *Rums* Lamb's Navy, Lamb's Palm Breeze, Lamb's White, Lemon Hart Rum *Vodkas* Belvedere, Chopin, McGuiness Red Tassel, Moskovskaya, Polar Ice, Stolichnaya, Stolichnaya Razberi, Stolichnaya Vanil ***LIQUEURS & EAUX DE VIE*** *Liqueurs* Carolans Irish Cream, Hiram Walker Peach Schnapps, Frangelico, Hiram Walker Peppermint Schnapps, Irish Mist, Kahlúa, Kahlúa Especial, Malibu Coconut Rum, Malibu Mango, Malibu Passion Fruit, Malibu Pineapple, McGuiness Blue Curaçao, Meaghers Triple Sec, Phillips Butter Ripple Schnapps, Tequila Rose, Tia Maria, Uphoria Asian Pear, Uphoria Pink Guava, Uphoria Pomegranate *Cocktails* The Keg Caesar, The Keg Green Apple, McGuiness Black Russian, McGuiness Long Island Iced Tea, Sour Puss ***VINTAGES*** *Champagnes* Mumm Brut, Mumm Carte Classique, Mumm Cuvée Napa, Perrier Jouët Bell Époque, Perrier Jouët Grand Brut *Reds* Bandit Cabernet Sauvignon, Black Tower Pinot Noir, French Rabbit Cabernet Sauvignon, French Rabbit Merlot, Folonari Valpolicella, Golden Kaan Cabernet Sauvignon, Golden Kaan Shiraz, Little Boomey Shiraz, Melini Chianti, Sutter Home Merlot, Tarapacá Cabernet Sauvignon, Trinchero Cabernet Sauvignon, Trinchero Merlot *Whites* Bandit Pinot Grigio, Bend in the River Riesling, Black Tower White, French Rabbit Chardonnay, Folonari Soave, Golden Kaan Sauvignon Blanc, Kendermanns Riesling, Melini Orvieto, Sutter Home Chardonnay, Tarapacá Sauvignon Blanc, Trinity Oaks Chardonnay *Zinfandels* Sutter Home White Zinfandel, Trinity Oaks Zinfandel